



**City Council City Council Regular Meeting**  
**Monday, May 11, 2020**  
**6:10 PM**

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This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

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# AGENDA

BE IT KNOWN that the **CITY COUNCIL** of the City of Richwood will meet in **City Council Regular Meeting** on **Monday, May 11, 2020** at **6:10 PM** at 1800 N. Brazosport Blvd., Richwood, TX 77531 at the Richwood City Hall in the Council Chambers with the following agenda:

## SUPPLEMENTAL NOTICE OF MEETING BY TELEPHONE/WEB CONFERENCE

In accordance with the order of the Office of the Governor issued March 16, 2020, the City Council of Richwood will conduct the meeting schedule at 6:10 p.m. on Monday, May 11, 2020 in the City Hall Council Chambers, located at 1800 Brazosport Blvd N., in part by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of Coronavirus (COVID 19).

The meeting agenda is posted online at [www.richwoodtx.gov](http://www.richwoodtx.gov).

The public dial in number to participate in the telephonic meeting is **1 (312)757-3121** and enter access code: **239-658-357**

The public will be permitted to offer public comment telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

A recording of the telephonic meeting will be made, and will be available to public in accordance with the Open Meetings Act upon written request.

**Please contact Kirsten Garcia, City Secretary, with any issues logging in, 979-265-2082 (option 3).**

- I. CALL TO ORDER
- II. ROLL CALL OF COUNCIL MEMBERS
- III. PUBLIC COMMENTS
  - All public comments will be subject to the following rules:** All speakers will be permitted to speak no longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker. Discussion is not allowed on items not posted on the agenda.
- IV. CONSENT AGENDA
  - A. Approval of Minutes
    - 1. Amended minutes from Regular Meeting held March 9, 2020 4
    - 2. Minutes from Regular Meeting held April 13, 2020 9
    - 3. Minutes from Special Meeting held April 22, 2020 14
- V. DISCUSSION AND ACTION ITEMS

|                                                                                                                                                                                                                                                                                                                                                |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| A. Discuss and consider authorizing the submission of a Disaster Recovery Grant (DR-4485) application to the Texas Division of Emergency Management (TDEM) and authorizing the City Manager to act as the City's Executive Officer and Authorized Representative in all matters pertaining to the City's participation in the DR-4485 program. | 16 |
| B. Discuss and Consider extension of contract with MuniServices                                                                                                                                                                                                                                                                                | 40 |
| C. Discuss and consider adopting a Local Financial Procedures Policy.                                                                                                                                                                                                                                                                          | 51 |
| VI. CITY MANAGER'S REPORT                                                                                                                                                                                                                                                                                                                      | 57 |
| VII. COUNCIL MEMBER COMMENTS & REPORTS                                                                                                                                                                                                                                                                                                         |    |
| VIII. MAYOR'S REPORT                                                                                                                                                                                                                                                                                                                           |    |
| IX. FUTURE AGENDA ITEMS                                                                                                                                                                                                                                                                                                                        |    |
| X. ADJOURNMENT                                                                                                                                                                                                                                                                                                                                 |    |

**The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).**

I, Kirsten Garcia, do hereby certify that I did, on \_\_\_\_\_ at \_\_\_\_\_ p.m., post this notice of meeting on the bulletin board at 1800 N. Brazosport Blvd., Richwood, TX, in compliance with the Texas Open Meetings Law.

\_\_\_\_\_  
Kirsten Garcia, City Secretary  
City of Richwood

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# Minutes of City Council

## The City Council Regular Meeting of Monday, March 9, 2020

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BE IT KNOWN THAT, a City Council Regular Meeting of the City Council of City of Richwood was held Monday, March 9, 2020, beginning at 6:00 PM in the Richwood City Hall, 1800 N. Brazosport Blvd. Richwood, Texas.

### I. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

### II. INVOCATION

The invocation was led by Lindsay Koskiniemi.

### III. PLEDGES OF ALLEGIANCE

The Mayor led the Pledge of Allegiance & Texas Pledge.

### IV. ROLL CALL OF COUNCIL MEMBERS

Steve Boykin, Mayor

Mike Johnson, Position 1 – Absent

Melissa Strawn, Position 2

Matthew Yarborough, Position 3

Mark Brown II, Position 4

Katie Johnson, Position 5

Others present: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Lindsay Koskiniemi, Finance Director; Clif Custer, Public Works Director; Matthew Allen, City Attorney.

### V. PUBLIC COMMENTS

All public comments will be subject to the following rules: all speakers will be permitted to speak no longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker; the first five individuals who sign up for the public comment section will be permitted to speak.

***Moved to the end of the agenda at the request of the Mr. Escalante, he made his public comment after the City Manager's report.***

Rodrigo Escalante – 2918 Oakwood Shores Dr - Asked what we are doing for other residents who don't qualify for sewer repair with GLO. He also asked if we were installing self-flushing hydrants with the bond work going on. Mr. Escalante stated it was very good to hear the Alden subdivision will not affect us with water runoff. He added we need to look at drainage with urgency before it's too late. Mr.

Escalante stated he is disheartened that council flip flopped on the plan for streets. He added that we need to come up with a plan to move forward.

## VI. PROCLAMATIONS

Proclamation of Fair Housing Month read by Mayor Boykin.

## VII. CONSENT AGENDA

### A. Approval of Minutes of Previous Meetings

1. Regular Meeting held February 24, 2020

### B. Payment of Bills

On a motion by Mark Brown II, second by Katie Johnson, with all present members voting aye, the consent agenda was approved.

## VIII. PRESENTATION

### A. City of Richwood Public Water System Resiliency Plan - Freese & Nichols

Kendall Ryan with Freese & Nichols Presented.

### B. City of Richwood Sewer Improvement Project – Grant Works

John Groberg with Grant Works presented.

## IX. DISCUSSION AND ACTION ITEMS

### A. Discuss and consider a resolution designating authorized signators for the Hurricane Harvey - Infrastructure CDBG Disaster Recovery program contract 20-065-080-C233

On a motion by Mark Brown II, second by Melissa Strawn, with all present members voting aye, a resolution designating authorized signators for the Hurricane Harvey - Infrastructure CDBG Disaster Recovery program contract 20-065-080-C233 was approved.

### B. Discuss and consider a resolution adopting required CDBG-DR Civil Rights policies

On motion by Matthew Yarborough, second by Katie Johnson, with all present members voting aye, a resolution adopting required CDBG-DR Civil Rights policies was approved.

- C. Discuss and consider a resolution amending the Fiscal Year 2019-2020 Budget to allocate annual reimbursement from Brazoria County for call response to the Volunteer Fire Department.

Lindsay Koskiniemi presented.

Mark Brown asked for clarification on the reimbursement being labeled for Emergency Medical Services.

Lindsay stated she would need to clarification with the Fire Chief.

Mayor Boykin clarified that the reimbursement is due to the Fire Department responding to calls in the ETJ, not just EMS calls.

Matthew Yarborough stated the EMS contract is paid out of the Fire Department budget.

Katie Johnson asked if this is something that would be outlined in an agreement with the Fire Department.

Lindsay Koskiniemi stated yes, but she isn't sure where we stand on the services agreement as of now.

On a motion by Katie Johnson, second by Mark Brown II, with all present members voting aye, a resolution amending the Fiscal Year 2019-2020 Budget to allocate annual reimbursement from Brazoria County for call response to the Volunteer Fire Department was approved.

- D. Discuss and consider adopting a plan to eliminate long-term receivables and payable between the Enterprise and General Fund.

Lindsay Koskiniemi presented.

Melissa asked if we are moving money out of transportation fund and if so, what does that take from.

Lindsay Koskiniemi stated that we aren't moving actual dollars here, this entry would just take care of the numbers side of it. The transportation fund, as well as the general fund, has subsidized the transfers needed to be made to keep up.

Mark Brown II stated that we understood we were running in the deficit and we were raising the utility rates at the time to pay the debt from the utility to the general fund. We should not have raised the rates and then forgive the debt. Discussion held on utility rates and the possibility of lowering it.

Lauren LaCount – Resident – 2000 Brazosport Blvd – Stated she was on council when the water issue came to light and it was for accounting practices that created this deficit. She encourages Council to speak with Lindsay and the auditors to get a clear idea on the best way to move forward from this.

Matt Yarborough asked if this was discussed in our most recent audit recap.

Lindsay Koskiniemi stated no.

No further discussion was held.

- E. Discuss and consider allowing the City Manager to approve Brazoria County Mosquito Control District to provide aerial spraying for mosquitoes over Richwood.

On a motion by Mark Brown II, second by Melissa Strawn with all present members voting aye, the City Manager is approved to allow Brazoria County Mosquito Control District to provide aerial spraying for mosquitoes over Richwood.

## X. REPORTS

Reports that require no action.

### A. Public Works Department

#### 1. Update on Upcoming Bond Projects - Clif Custer

Clif Custer presented

Melissa Strawn asked if \$100,000 left from bond and \$400,000 in capital outlay for streets, can't we do more.

Clif Custer stated \$330,000 is already spoken for with engineering.

Mark Brown II thanked Clif for the job he's doing and being so conservative with the money spent.

## XI. CITY MANAGER'S REPORT

Eric Foerster stated he met with Lake Jackson city manager, Bill Yenne, regarding the Alden Subdivision. He stated there will be no more run off coming off the Alden subdivision than what currently occurs now. He added that the Alden property was dry during the last two flood events.

Mr. Foerster stated he met with County Commissioner Dude Payne and found out that the County will begin de-snagging the creeks and bayous, including Oyster Creek and Bastrop Bayou, at the end of this month into the beginning of next month.

## XII. FUTURE AGENDA ITEMS

No future agenda items were mentioned.

## XIII. COUNCIL MEMBER COMMENTS & REPORTS

Mark Brown II stated that he wanted to be clear that the grants that the city applies for are for the greater good of the whole community. He added that we are taking the money from the bonds and trying to fix things that were done incorrectly in the past. He doesn't think we should focus our time on things we don't have the money to fix now, but to fix the problems that we have at hand, which are many.

Mr. Brown commends the Police Department and Fire Department for their hard work. He added recognition of Keep Richwood Beautiful and Servolution for their work in painting the park.

Katie Johnson commended Keep Richwood Beautiful and their groundbreaking on the community garden.

Mrs. Johnson added that she believes current/past council and staff have done the best they can for the City with the information they have. She thinks staff is doing what they can until they know better, and when they know better, they are doing better. She specifically recognized Clif, Lindsay and Kirsten for the work they have done and having the courage to come to Council and recommend changes that need to be made.

## XIV. MAYOR'S REPORT

Mayor Boykin offered equipment to help with the community garden. He added that he wants to second what the council members said about staff. Also, he wanted to state he was pleased with the Facts article on the streets in Oakwood Shores.

## XV. ADJOURNMENT

Being there no further business, the meeting was adjourned at 7:42 p.m.

These minutes were read and approved on this 11<sup>th</sup> day of May, 2020.

ATTEST:

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Mayor

# Minutes of City Council

## The City Council Regular Meeting of Monday, April 13, 2020

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BE IT KNOWN THAT, a City Council Regular Meeting of the City Council of City of Richwood was held Monday, April 13, 2020, beginning at 6:00 PM in the Richwood City Hall, 1800 N. Brazosport Blvd. Richwood, Texas.

### I. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

### II. ROLL CALL OF COUNCIL MEMBERS

Steve Boykin, Mayor

Mike Johnson, Position 1

Melissa Strawn, Position 2

Matthew Yarborough, Position 3

Mark Brown II, Position 4

Katie Johnson, Position 5

Others present Eric Foerster, City Manager; Kirsten Garcia, City Secretary;

### III. PUBLIC COMMENTS

**All public comments will be subject to the following rules:** All speakers will be permitted to speak no longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker. Discussion is not allowed on items not posted on the agenda.

There were no public comments.

### IV. RECOGNITIONS

#### A. Recognition of the Keep Richwood Beautiful Committee

Kirsten Garcia read memo regarding KRB.

### V. CONSENT AGENDA

#### A. Approval of Minutes of Previous Meetings

1. Minutes from regular meeting held March 9, 2020

2. Minutes from Special Meeting held March 23, 2020

#### B. Payment of Bills

Mark Brown II requested to table minutes from March 9, 2020 for revisions that he requested to be made. He added that he has forwarded his notes to the City Secretary.

On a motion by Mark Brown II, second by Mike Johnson, with all present members voting aye, Minutes from Regular Meeting held March 9 were tabled until May for revisions and minutes from March 23, 2020 and payment of bills were approved.

## VI. DISCUSSION AND ACTION ITEMS

- A. Discuss and consider a resolution extending the disaster declaration issued on March 23, 2020 in response to COVID-19, a public health emergency, and any matters related thereto.

Eric Foerster presented.

No discussion was held.

On a motion by Mike Johnson, second by Mark Brown II, with all present voting members voting aye, Council approved extending the disaster declaration until May 30, 2020.

- B. Discuss and consider an ordinance postponing the general election to be held on May 2, 2020, to November 3, 2020, pursuant to proclamation from Governor Gregory Abbott.

Matt Yarborough asked if those elected will have a shortened term that will still end in May 2022.

Kirsten Garcia responded yes, current officers will hold over six months and the new/returning officers will have their terms shortened by six months.

Mark Brown II asked if the following elections will still be held May 2021.

Kirsten Garcia stated yes, we would hold an election in November 2020 and then again in May 2021.

On a motion by Mark Brown II, second by Mike Johnson with all present members voting aye, an ordinance postponing the general election to be held on May 2, 2020, to November 3, 2020, pursuant to proclamation from Governor Gregory Abbott was approved.

- C. Discuss and consider a resolution amending the fiscal year 2019-2020 budget to increase budget of Richwood transportation fund to allocate voter-approved sales tax revenue received in FY 2016 through FY 2019.

Mark Brown II motioned to table this so that our City Manager can review our budget and the funds, Katie Johnson seconded.

Mark Brown II stated his reason for the motion was that he feels we need to have this reviewed before we take this action. He feels that since we don't have the finance director here to answer questions, it would be judicious to allow the City Manager to review these funds that are dating back three fiscal years to make sure that everything is done properly.

Melissa Strawn asked Eric if he has had time to review this.

Eric Foerster responded that he is comfortable with the numbers being correct, the only other action to take is to go back and review the historical documents for 2016-2019.

Mark Brown II asked how we made it through audit the last three years with out this getting flagged as an issue.

Eric Foerster responded the he would have to ask the same questions, he added he believes there are several discrepancies in the books at this time. He stated that the revenues were accounted for accurately but not carried over to the receivable of the correct line item.

Discussion held on historical knowledge of the transfers.

Mark Brown II stated that he will withdraw his motion if the City Manager is comfortable with the numbers.

Mike Johnson asked what kind of consequence will see by moving the funds out of general fund to the transportation fund.

Eric Foerster responded that it was just an accounting entry and wouldn't have any affect on other accounts.

Discussion held on effects of making the transfer.

Eric Foerster stated he would look into it further to ensure there wouldn't be a negative effect on any other accounts by making the transfer.

On a motion by Mark Brown, second by Katie Johnson, with all present members voting aye, the resolution amending the fiscal year 2019-2020 budget to increase budget of Richwood transportation fund to allocate voter-approved sales tax revenue received in FY 2016 through FY 2019 was tabled to a later date.

## VII. REPORTS

Reports that require no action.

### A. Presentation of Quarterly Investment Report

1. Quarterly Investment Report - Second Quarter, FY 2019-2020  
Presented by Eric Foerster

Mark Brown II asked if Staff would have someone monitoring the Texpool prime account to ensure that we are getting the best rates possible.

Eric Foerster stated yes, we would definitely do that.

VIII CITY MANAGER'S REPORT

- . Eric Foerster reported that he didn't have anything to add other than thanking everyone who attended the meeting tonight and Keep Richwood Beautiful for their efforts during the current times and always making the city look great.

IX. COUNCIL MEMBER COMMENTS & REPORTS

Mark Brown II recognized Keep Richwood Beautiful and their efforts in the Easter egg swap, he stated his kids enjoyed it and it really brightened up their quarantine. He also recognized the Police Department for the job they are doing and being engaging with the community.

Mike Johnson stated that he wanted to recognize the community coming together for the donation box outside and the daily updates posted online, it's been a real positive.

X. MAYOR'S REPORT

Mayor Boykin reported that we are staying on the calls with the State and the County, keeping track of the issues surrounding COVID-19. To date, we have 1 confirmed case that is now reported as recovered. The health the department continues to work tirelessly and test as many people as they can.

He also thanked the folks that have donated to the donation box outside of city hall.

Mayor requested the community continue to be vigilant in maintaining your spaces.

XI. FUTURE AGENDA ITEMS

Mark Brown II requested a discussion item for the position of Finance Director.

XII. ADJOURNMENT

Being there no further business, the meeting was adjourned at 6:29 p.m.

These minutes were read and approved on this 11<sup>th</sup> day of May, 2020.

ATTEST:

# Minutes of Special Meeting

## The City Council Special Meeting of Wednesday, April 22, 2020

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BE IT KNOWN THAT, a City Council Special Meeting of the Special Meeting of City of Richwood was held Wednesday, April 22, 2020, beginning at 6:00 PM in the Richwood City Hall, 1800 N. Brazosport Blvd. Richwood, Texas.

### I. CALL TO ORDER

The meeting was called to order at 6:03 p.m.

### II. ROLL CALL OF COUNCIL MEMBERS

Steve Boykin, Mayor  
Mike Johnson, Position 1  
Melissa Strawn, Position 2  
Matthew Yarborough, Position 3  
Mark Brown II, Position 4 - ABSENT  
Katie Johnson, Position 5 – Via Web

Others present: Kirsten Garcia, City Secretary; Eric Foerster, City Manager; Clif Custer, Public Works Director; Stephen Mayer, Chief of Police.

### III. PUBLIC COMMENTS

All comments will be subject to the following rules: All speakers will be permitted to speak not longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker. Discussion is not allowed on items not posted on the agenda.

There were no public comments.

### IV. EXECUTIVE SESSION

Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee:

The meeting recessed into executive session at 6:05 p.m.

A. Finance Director's Position

B. Interim Finance Director - Contract with Strategic Government Resources (SGR)

### V. ACTION AS A RESULT OF EXECUTIVE SESSION

Regular session reconvened at 8:51 p.m.

On a motion by Mike Johnson, second by Melissa Strawn, with all present voting members voting aye, a contract with Strategic Government Resources, for interim Finance Director services, not to exceed a limit of \$49,999.00 was approved.

#### VI. CITY MANAGER'S REPORT

Eric Foerster reported on the City's status regarding the COVID-19 pandemic and grant reimbursement.

#### VII. COUNCIL MEMBER COMMENTS & REPORTS

No reports.

#### VIII. MAYOR'S REPORT

Mayor Boykin reported updated information on COVID-19. He added that he was pleased with the response to the share box.

#### IX. ADJOURNMENT

Being there no further business, the meeting was adjourned



## **MEMORANDUM**

**TO:** Honorable Mayor and Members of Council

**FROM:** Eric Foerster, City Manager

**DATE:** May 8, 2020

**RE:** DR-4485 Grant

This application allows for cost recovery on personnel costs, operational equipment, and personal protective equipment, for the Covid-19 response for the City of Richwood.

Reimbursement will be on a 75%/25% ratio, with the City of Richwood (25%) and TDEM (75%) (Texas Division of Emergency Management).

Eric

## GRANT TERMS AND CONDITIONS

This Grant Agreement (consisting of these terms and conditions and all exhibits) is made and entered into by and between the Texas Division of Emergency Management (TDEM), an agency of the State of Texas, hereinafter referred to as "TDEM," and the grant recipient, City of Richwood, hereinafter referred to as the "Subrecipient." Furthermore, TDEM and the Subrecipient are collectively hereinafter referred to as the "Parties." All subawards made under this grant agreement are subject to the same terms and conditions below.

Subrecipient may not assign or transfer any interest in this Grant without the express, prior written consent of TDEM and DHS/FEMA.

a. The term Recipient and pass-through entity have the same meaning as "Grantee," as used in governing statutes, regulations, and DHS/FEMA guidance.

b. A Recipient is also a "non-federal entity" for grants administration purposes.

c. A Subrecipient is also known as a "Subgrantee" as used in governing statutes regulations and DHS/ FEMA guidance.

d. A Subrecipient is also a "non-federal entity" for grants administration purposes.

e. The "Grant" referred to in this agreement is a subgrant to the Subrecipient passed thru from TDEM to the Subrecipient.

f. Certifying Official will be the Mayor, Judge, or Executive Director authorized to execute these grant terms and conditions, and to submit changes of Subrecipient Agents.

f. Projects and any subsequent versions for those projects accepted by the Subrecipient and subsequently obligated or deobligated by DHS/FEMA are considered subawards to this grant agreement.

A. **Standard of Performance**. Subrecipient shall perform all activities as approved by TDEM. Any change to a project shall receive prior written approval by TDEM and, if required, by FEMA. Subrecipient shall perform all activities in accordance with all terms, provisions and requirements set forth in this Grant, including but not limited to the following Exhibits:

1. Assurances – Non-Construction Programs, hereinafter referred to as "Exhibit A"
2. Assurances – Construction Programs, hereinafter referred to as "Exhibit B"
3. Certifications for Grant Agreements, hereinafter referred to as "Exhibit C"
4. State of Texas Assurances, hereinafter referred to as "Exhibit D"
5. Environmental Review Certification, hereinafter referred to as "Exhibit E"
6. Additional Grant Conditions, hereinafter referred to as "Exhibit F"
7. Additional Grant Certifications, hereinafter referred to as "Exhibit G"
8. Request for Information and Documentation referred to as "Exhibit H"

B. **Failure to Perform**. In the event Subrecipient fails to implement and complete the project(s) approved and awarded, or comply with any provision of this Grant, Subrecipient shall be liable to TDEM for an amount not to exceed the award amount of this Grant and may be barred from applying for or receiving additional DHS/FEMA grant program funds

## GRANT TERMS AND CONDITIONS

or any other grant program funds administered by TDEM until repayment to TDEM is made and any other compliance or audit finding is satisfactorily resolved, in addition to any other remedy specified in this Grant. Failure to timely implement and complete projects may reduce future funding in additional DHS/FEMA and/or other grant programs administered by TDEM.

- C. **Funding Obligations.** TDEM shall not be liable to Subrecipient for any costs incurred by Subrecipient that are not allowable costs.
1. Notwithstanding any other provision of this Grant, the total of all payments and other obligations incurred by TDEM under this Grant shall not exceed the total cumulative award amounts listed on the Subawards (projects and subsequent versions).
  2. Subrecipient shall contribute the match funds listed on the subaward.

Subrecipient shall refund to TDEM any sum of these Grant funds that has been determined by TDEM or DHS/FEMA to be an overpayment to Subrecipient or that TDEM determines has not been spent by Subrecipient in accordance with this Grant. No refund payment(s) shall be made from local, state or federal Grant funds unless repayment with Grant funds is specifically permitted by statute or regulation. Subrecipient shall make such refund to TDEM within thirty (30) calendar days after TDEM requests such refund

- D. **Performance Period.** The performance period for this Grant is listed on the subaward letter for each project. **All projects shall be completed within the performance period AND all reimbursement requests shall be submitted to TDEM within 60 days of the end of the performance period.** Subrecipient shall have expended all Grant funds and submitted reimbursement requests, invoices and any supporting documentation to TDEM within 60 days of the end of the performance period. TDEM shall not be obligated to reimburse expenses incurred after the performance period or submitted after the deadline.

- E. **Uniform Administrative Requirements, Cost Principles and Audit Requirements.** Except as specifically modified by law or this Grant, Subrecipient shall administer this Grant through compliance with the most recent version of all applicable laws and regulations, including but not limited to DHS program legislation, Federal awarding agency regulations, and the terms and conditions of this Grant. A non-exclusive list is provided below [not all may apply in every projects]:

- Public Law 93-288, as amended (Stafford Act)
- 44 CFR, Emergency Management and Assistance
- Disaster Mitigation Act of 2000
- OMB Regulations 2 CFR, Grant and Agreements
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands
- Executive Order 12372, Intergovernmental Review of Programs and Activities
- Executive Order 12549, Debarment and Suspension
- Executive Order 12612, Federalism
- Executive Order 12699, Seismic Design
- Executive Order 12898, Environmental Justice
- Coastal Barrier Resources Act, Public Law 97-348
- Single Audit Act, Public Law 98-502
- Sandy Recovery Improvement Act publications

## GRANT TERMS AND CONDITIONS

- 16 U.S.C. § 470, National Historic Preservation Act
- 16 U.S.C. § 1531, Endangered Species Act References
- FEMA program publications, guidance and policies

F. **State Requirements for Grants.** Subrecipient shall comply with all other federal, state, and local laws and regulations applicable to this Grant including but not limited to the laws and the regulations promulgated in Texas Government Code, Chapter 783, Uniform Grant and Contract Management, (UGMS) at:

<http://www.window.state.tx.us/procurement/catrad/ugms.pdf>

and the program State Administrative Plan, available at:

<https://grants.tdem.texas.gov>

Subrecipient shall, in addition to the assurances and certifications, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of this Grant and the approved application.

Grant funds may not be awarded to or expended by any entity which performs political polling. This prohibition does not apply to a poll conducted by an academic institution as part of the institution's academic mission that is not conducted for the benefit of a particular candidate or party.

Grant funds may not be expended by a unit of local government unless the following limitations and reporting requirements are satisfied:

1. Texas General Appropriations Act, Art. IX, Parts 2 and 3, except there is no requirement for increased salaries for local government employees;
2. Texas Government Code Sections 556.004, 556.005, and 556.006, which prohibits using any money or vehicle to support the candidacy of any person for office, influencing positively or negatively the payment, loan, or gift to a person or political organization for a political purpose, and using Grant funds to influence the passage or defeat of legislation including not assisting with the funding of a lobbyist, or using Grant funds to pay dues to an organization with a registered lobbyist;
3. Texas Government Code Sections 2113.012 and 2113.101, which prohibits using Grant funds to compensate any employee who uses alcoholic beverages on active duty and Subrecipient may not use Grant funds to purchase an alcoholic beverage and may not pay or reimburse any travel expense for an alcoholic beverage;
4. Texas General Appropriations Act, Art. IX, Section 6.13, which requires Subrecipient to make every effort to attain key performance target levels associated with this Grant, including performance milestones, milestone time frames, and related performance reporting requirements; and
5. General Appropriations Act, Art. IX, Sections 7.01 and 7.02, and Texas Government Code §2102.0091, which requires that this Grant may only be expended if Subrecipient timely completes and files its reports.

G. **Restrictions and General Conditions.**

1. **Use of Funds.** DHS/FEMA Grant funds may only be used for the purposes set forth in this Grant, and shall be consistent with the statutory authority for this Grant. Grant funds may not be used for matching funds for other Federal grants/cooperative agreements, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition,

## GRANT TERMS AND CONDITIONS

- Federal funds may not be used to sue the Federal government or any other government entity.
2. Federal Employee Prohibition. Federal employees are prohibited directly benefiting from any funds under this Grant.
  3. Points of Contacts. Within 10 calendar days of any change, Subrecipient shall notify TDEM of any change in designated of Subrecipient Agents as submitted during the execution of this agreement, and any subsequent changes submitted by Subrecipient. In the event a Subrecipient hires a consultant to assist them with managing its Public Assistance grants, they must be listed on the Designated Subrecipient Agent Form. TDEM will direct all correspondence to the Subrecipient but will cc: the consultant on all email exchanges. The Subrecipient will be responsible for sharing written communications with the consultant. The Subrecipient will remain the primary point of contact and must be included in all decision making activities.
  4. DUNS Number. Subrecipient confirms its Data Universal Numbering Systems (DUNS) Number is accurate and is registered on Sams.gov. The DUNS Number is the nine digit number established and assigned by Dun and Bradstreet, Inc., at 866/705-5711 or <http://fedgov.dnb.com/webform>
  5. Central Contractor Registration and Universal Identifier Requirements. Subrecipient maintains that it has registered on the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) or other federally established site for contractor registration, and entered TDEM-required information. Subrecipient shall keep current, and then review and update the information at least annually. Subrecipient shall keep information current in the SAM database until the later of when it submits this Grant's final financial report or receives final Grant award payment. Subrecipient agrees that it shall not make any subaward agreement or contract related to this Grant without first obtaining the vendor/subawardee's mandatory DUNS number. See Section §200.32 of OMB 2 C.F.R.
  6. Reporting Total Compensation of Subrecipient Executives. 2 C.F.R. §200.331; see FEMA Information Bulletin 350.
    - a. Applicability and what to report: Subrecipient shall report whether Subrecipient received \$25 million or more in Federal procurement contracts or financial assistance subject to the Transparency Act per 2 C.F.R. §200.331. Subrecipient shall report whether 80% or more of Subrecipient's annual gross revenues were from Federal procurement contracts or Federal financial assistance. If Subrecipient answers "yes" to both questions, Subrecipient shall report, along with Subrecipient's DUNS number, the names and total compensation (see 17 C.F.R. §229.402(c)(2)) for each of Subrecipient's five most highly compensated executives for the preceding completed fiscal year.
    - b. Where and when to report: Subrecipient shall report executive total compensation at [www.sam.gov](http://www.sam.gov) or other federally established replacement site. By signing this Grant, Subrecipient certifies that, if required, Subrecipient's jurisdiction has already registered, entered the required information, and shall keep information in the SAM database current, and update the information at least annually for each year until the later of when the jurisdiction submits its final financial report or receives final payment. Subrecipient agrees that it shall not make any subaward agreement or contract without first obtaining the subawardee's mandatory DUNS number.
  7. Debarment and Suspension. Subrecipient shall comply with Executive Order 12549 and 12689, which provide protection against waste, fraud, and abuse by debarring or

## GRANT TERMS AND CONDITIONS

suspending those persons deemed irresponsible in their dealings with the Federal government.

8. Direct Deposit. A completed direct deposit form from Subrecipient shall be provided to TDEM, prior to receiving any payments under the provisions of this grant. The direct deposit form is currently available at [grants.tdem.texas.gov](http://grants.tdem.texas.gov) under Resources/Public Assistance.
9. Property Management and Inventory. Subrecipient shall maintain property/inventory records which, at minimum, shall include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, the cost of the property, the percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. Subrecipient shall develop and implement a control system to prevent loss, damage or theft of property and Subrecipient shall investigate and document any loss, damage or theft of property funded under this Grant.
10. Site Visits. DHS/FEMA and/or TDEM, through its authorized representatives, have the right at all reasonable times to make site visits to review project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by DHS/FEMA on the premises of Subrecipient or a contractor under this Grant, Subrecipient shall provide and shall require its contractors to provide all reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly delay the work.

### H. Procurement and Contracting.

1. Procurements. Subrecipient shall comply with all applicable federal, state, and local laws and requirements, including but not limited to proper competitive solicitation processes where required, for any procurement which utilizes federal funds awarded under this Grant in accordance with 2 C.F.R. 200.318-326 and Appendix II to Part 200 (A-C) and (E-J)
2. Contract Provisions. All contracts executed using funds awarded under this Grant shall contain the contract provisions listed under 2 C.F.R. 200.326 and Appendix II (A), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
3. Procurement activities must follow the most restrictive of Federal, State and Local procurement regulations:
  - a. Procurement by micro purchase
  - b. Procurement by small purchase
  - c. Procurement by sealed bid
  - d. Procurement by competitive proposal
  - e. Procurement by non-competitive proposal, solely when the award of a contract is unfeasible under the other methods

The State must be contacted for approval to use a noncompetitive procurement method. Failure to follow eligible procurement methods will result in ineligible costs. Other types of agreements for services must have State approval prior to use or execution. A copy of the local procurement policy must be provided to the State before initial payment.

## GRANT TERMS AND CONDITIONS

The cost plus a percentage of cost and percentage of construction cost methods of contracting are **ineligible**.

**Must** perform **cost/price analysis** for every procurement action in excess of the Simplified Acquisition Threshold.

**Must** negotiate profit as a separate element where required.

4. Evidence of non-debarment for vendors must be documented through <http://www.sam.gov/portal/public/SAM> and [http://www.window.state.tx.us/procurement/prog/vendor\\_performance/debarred/](http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/) and submitted for review.
  5. Comply with rules related to underutilized businesses (small and minority businesses, women's enterprises and labor surplus firms) at 2 CFR 200.321
- I. **Monitoring.** Subrecipient will be monitored periodically by federal, state or local entities, both programmatically and financially, to ensure that project goals, objectives, performance requirements, timelines, milestone completion, budget, and other program-related criteria are met.

TDEM, or its authorized representative, reserves the right to perform periodic desk/office-based and/or on-site monitoring of Subrecipient's compliance with this Grant and of the adequacy and timeliness of Subrecipient's performance pursuant to this Grant. After each monitoring visit, if the monitoring visit reveals deficiencies in Subrecipient's performance under this Grant, a monitoring report will be provided to the Subrecipient and shall include requirements for the timely correction of such deficiencies by Subrecipient. Failure by Subrecipient to take action specified in the monitoring report may be cause for suspension or termination of this Grant pursuant to the Suspension and/or Termination Section herein.

J. **Audit.**

1. **Audit of Federal and State Funds.** Subrecipient shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this Grant as required by the Single Audit Act (OMB 2 C.F.R. 200.501, formerly A- 133). Subrecipient shall comply, as applicable, with Texas Government Code, Chapter 783, the Uniform Grant Management Standards (UGMS), the State Uniform Administrative Requirements for Grants and Cooperative Agreements.
2. **Right to Audit.** Subrecipient shall give the United States Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), the Comptroller General of the United States, the Texas State Auditor, TDEM, or any of their duly authorized representatives, access to and the right to conduct a financial or compliance audit of Grant funds received and performances rendered under this Grant. Subrecipient shall permit TDEM or its authorized representative to audit Subrecipient's records. Subrecipient shall provide any documents, materials or information necessary to facilitate such audit.
3. **Subrecipient's Liability for Disallowed Costs.** Subrecipient understands and agrees that it shall be liable to TDEM for any costs disallowed pursuant to any financial or compliance audit(s) of these funds. Subrecipient further understands and agrees that reimbursement to TDEM of such disallowed costs shall be paid by Subrecipient

## GRANT TERMS AND CONDITIONS

from funds that were not provided or otherwise made available to Subrecipient pursuant to this Grant or any other federal contract.

4. Subrecipient's Facilitation of Audit. Subrecipient shall take such action to facilitate the performance of such audit(s) conducted pursuant to this Section as TDEM may require of Subrecipient. Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
5. State Auditor's Clause. Subrecipient understands that acceptance of funds under this Grant acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Subrecipient further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Subrecipient shall ensure that this clause concerning the State Auditor's Office's authority to audit funds and the requirement to cooperate fully with the State Auditor's Office is included in any subgrants or subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Subrecipient relating to this Grant.

### K. Retention and Accessibility of Records.

1. Retention of Records. Subrecipient shall follow its own internal retention policy, or the state's retention policy, whichever is stricter. At a minimum, the subrecipient shall maintain fiscal records and supporting documentation for all expenditures of this Grant's funds pursuant to the applicable OMB 2 C.F.R. Subpart D – Post Federal Award Requirements, §200.333-337, and this Grant. Subrecipient shall retain these records and any supporting documentation for a minimum of three (3) years from the later of the completion of this project's public objective, submission of the final expenditure report, any litigation, dispute, or audit. Records shall be retained for three (3) years after any real estate or equipment final disposition. The DHS or TDEM may direct Subrecipient to retain documents or to transfer certain records to DHS/FEMA custody when DHS/FEMA determines that the records possess long term retention value.
2. Access to Records. Subrecipient shall give the United States Department of Homeland Security, the Comptroller General of the United States, the Texas State Auditor, TDEM, or any of its duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, other papers, things or property belonging to or in use by Subrecipient pertaining to this Grant including records concerning the past use of DHS/FEMA funds. Such rights to access shall continue as long as the records are retained by Subrecipient.

### L. Changes, Amendments, Suspension or Termination

1. Modification. DHS/FEMA or TDEM may modify this Grant after an award has been made. Once notification has been made in writing, any subsequent request for funds indicates Subrecipient's acceptance of the changes to this Grant. Any alteration, addition, or deletion to this Grant by Subrecipient is not valid.
2. Effect of Changes in Federal and State Laws. Any alterations, additions, or deletions to this Grant that are required by changes in federal and state laws, regulations or policy are automatically incorporated into this Grant without written amendment to this Grant and shall become effective upon the date designated by such law or regulation. In the event DHS/FEMA or TDEM determines that changes are necessary to this Grant after an award has been made, including changes to the period of performance or terms and conditions, Subrecipient shall be notified of the changes in writing. Once notification has

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## GRANT TERMS AND CONDITIONS

been made, any subsequent request for funds will indicate Subrecipient's acceptance of the changes to this Grant.

3. Suspension. In the event Subrecipient fails to comply with any term of this Grant, TDEM may, upon written notification to Subrecipient, suspend this Grant, in whole or in part, withhold payments to Subrecipient and prohibit Subrecipient from incurring additional obligations of this Grant's funds.
  4. Termination. TDEM shall have the right to terminate this Grant, in whole or in part, at any time before the end of the Performance Period, if TDEM determines that Subrecipient has failed to comply with any term of this Grant. TDEM shall provide written notice of the termination and include:
    - a. The reason(s) for such termination;
    - b. The effective date of such termination; and
    - c. In the case of partial termination, the portion of this Grant to be terminated.
    - d. Appeal may be made to the Deputy Chief of the Texas Division of Emergency Management - Recovery & Mitigation.
- M. Enforcement. If Subrecipient materially fails to comply with any term of this Grant, whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or elsewhere, TDEM or DHS/FEMA may take one or more of the following actions, as appropriate in the circumstances:
1. Increased monitoring of projects and require additional financial and performance reports
  2. Require all payments as reimbursements rather than advance payments
  3. Temporarily withhold payments pending correction of the deficiency
  4. Disallow or deny use of funds and matching credit for all or part of the cost of the activity or action not in compliance;
  5. Request DHS/FEMA to wholly or partially de-obligate funding for a project
  6. Temporarily withhold cash payments pending correction of the deficiency by subrecipient or more severe enforcement action by TDEM or DHS/FEMA;
  7. Withhold further awards for the grant program
  8. Take other remedies that may be legally available

In taking an enforcement action, TDEM will provide Subrecipient an opportunity for a hearing, appeal, or other administrative proceeding to which Subrecipient is entitled under any statute or regulation applicable to the action involved.

The costs of Subrecipient resulting from obligations incurred by Subrecipient during a suspension or after termination of this Grant are not allowable unless TDEM or DHS/FEMA expressly authorizes them in the notice of suspension or termination or subsequently.

Other Subrecipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

- The costs result from obligations which were properly incurred by Subrecipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are non-cancellable; and
- The costs would be allowable if this Grant were not suspended or expired normally at the end of the funding period in which the termination takes effects.

The enforcement remedies identified in this section, including suspension and termination, do not preclude Subrecipient from being subject to "Debarment and Suspension" under E.O.

## GRANT TERMS AND CONDITIONS

12549. 2 C.F.R., Appendix II to Part 200, (I).

- N. **Conflicts of Interest.** The subrecipient will maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts and 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.
- O. **Closing of this Grant.** TDEM will close each subaward after receiving all required final documentation from the Subrecipient. If the close out review and reconciliation indicates that Subrecipient is owed additional funds, TDEM will send the final payment automatically to Subrecipient. If Subrecipient did not use all the funds received, TDEM will recover the unused funds.

At the completion and closure of all Subrecipient's projects (subawards), TDEM will request the Subrecipient to Certify the completion of all projects (subawards) in accordance of the grants terms and conditions to state there are no further claims under this subgrant.

The closeout of this Grant does not affect:

1. DHS/FEMA or TDEM's right to disallow costs and recover funds on the basis of a later audit or other review;
  2. Subrecipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
  3. Records retention requirements, property management requirements, and audit requirements, as set forth herein; and
  4. Any other provisions of this Grant that impose continuing obligations on Subrecipient or that govern the rights and limitations of the parties to this Grant after the expiration or termination of this Grant.
- P. **Notices.** All notices and other communications pertaining to this agreement shall be delivered in electronic format and/or writing and shall be transmitted by fax, e-mail, personal hand-delivery (and receipted for) or deposited in the United States Mail, as certified mail, return receipt requested and postage prepaid, to the other party.

# GRANT TERMS AND CONDITIONS

## EXHIBIT A

### ASSURANCES - NON-CONSTRUCTION PROGRAMS See Standard Form 424B

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

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 cost) to ensure proper planning, management and completion of the project described in this Grant.
2. Will give the Department of Homeland Security, the Texas Division of Emergency Management, 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 this Grant and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. 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.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. 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).
6. Will comply with all Federal statutes relating to nondiscrimination. 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 and 44 C.F.R. Part 19), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-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 agreement for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. 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 or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with 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.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction sub-agreements.
10. Will comply, if applicable, 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.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190 as amended by 42 U.S.C. 4311 et seq. and Executive Order (EO) 11514) which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for DHS grant-supported activities, DHS-FEMA requires the environmental aspects to be reviewed and evaluated before final action on the application; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) comply with the Clean Air Act of 1977, (42 U.S.C. §§7401 et seq. and Executive Order 11738) providing for the protection of and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters; (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).
12. 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.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348, 45 C.F.R. 46, and DHS Management Directive 026-044 (Directive) regarding the protection of human subjects involved in research, development, and related activities supported by this Grant. "Research" means a systematic investigation, including research, development, testing, and evaluation designed to develop or contribute to general knowledge. See Directive for additional provisions for including humans in the womb, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). See also state and local law for research using autopsy materials.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §2131 et seq.) which requires the minimum standards of care and treatment for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public according to the Guide for Care and Use of Laboratory Animals and Public Health Service Policy and Government Principals Regarding the Care and Use of Animals.
16. 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.
17. 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 (now OMB 2 C.F.R. 200.500), "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, grant guidance, and policies governing this Grant.

## GRANT TERMS AND CONDITIONS

### EXHIBIT B

#### ASSURANCES - CONSTRUCTION PROGRAMS See Standard Form 424D

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

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 project described in this Grant.
2. Will give the Department of Homeland Security, the Texas Division of Emergency Management, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to this Grant 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 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 nondiscrimination during the useful life of this Grant.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of 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 nondiscrimination. 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 and 44 C.F.R. Part 19), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-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 agreement for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the agreement.
11. Will comply or has already complied with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for federally- assisted construction sub-agreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) as amended by 42 U.S.C. 4311 et seq. and Executive Order (EO) 11514 which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) comply with the Clean Air Act of 1977, (42 U.S.C. §§7401 et seq. and Executive Order 11738) providing for the protection of and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters; (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133 (now OMB 2 C.F.R. 200.500), "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, grant guidance and policies governing this Grant.

## GRANT TERMS AND CONDITIONS

### Exhibit C

#### Certifications for Grant Agreements

The undersigned, as the authorized official, certifies the following to the best of his/her knowledge and belief.

- A. 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 an agency, a Member of Congress, an officer or employee of Congress, or an employee or 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.
- B. 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, an officer or employee of Congress, or an employee or 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 of Lobbying Activities, in accordance with its instructions.
- C. The undersigned shall require that the language of this certification prohibiting lobbying be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients 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.
- D. As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 C.F.R. Part 67, for prospective participants in primary covered transactions, as defined at 28 C.F.R. Part 67, Section 67.510. (Federal Certification), the Subrecipient certifies that it and its principals and vendors:
  - 1. Are not debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency. Subrecipient can access debarment information by going to [www.sam.gov](http://www.sam.gov) and the State Debarred Vendor List at: [www.window.state.tx.us/procurement/prog/vendor\\_performance/debarred](http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred).
  - 2. Have not within a three-year period preceding this Grant been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (D)(2) of this certification;
  - 4. Have not within a three-year period preceding this Grant had one or more public transactions (Federal, State, or local) terminated for cause or default; or
  - 5. Where Subrecipient is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this Grant. (Federal Certification).
- E. Federal funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Subrecipient may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.
- F. Subrecipient will comply with 2 C.F.R. Part 180, Subpart C as a condition of receiving grant funds and Subrecipient will require such compliance in any subgrants or contract at the next tier.
- G. Subrecipient will comply with the Drug-free Workplace Act, in Subpart B of 2 C.F.R. Part 3001.
- H. Subrecipient is not delinquent on any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF-424, item number 17 for additional information and guidance.
- I. Subrecipient will comply with all applicable requirements of all other federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Grant.
- J. Subrecipient understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of funds in this Grant.

## GRANT TERMS AND CONDITIONS

### EXHIBIT D

#### State of Texas Assurances

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

1. Shall comply with Texas Government Code, Chapter 573, by ensuring that no officer, employee, or member of the Subrecipient's governing body or of the Subrecipient's contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
2. Shall insure that all information collected, assembled, or maintained by the Subrecipient relative to a project will be available to the public during normal business hours in compliance with Texas Government Code, Chapter 552, unless otherwise expressly prohibited by law.
3. Shall comply with Texas Government Code, Chapter 551, which requires all regular, special, or called meetings of governmental bodies to be open to the public, except as otherwise provided by law or specifically permitted in the Texas Constitution.
4. Shall comply with Section 231.006, Texas Family Code, which prohibits payments to a person who is in arrears on child support payments.
5. Shall not contract with or issue a license, certificate, or permit to the owner, operator, or administrator of a facility if the Subrecipient is a health, human services, public safety, or law enforcement agency and the license, permit, or certificate has been revoked by another health and human services agency or public safety or law enforcement agency.
6. Shall comply with all rules adopted by the Texas Commission on Law Enforcement pursuant to Chapter 1701, Texas Occupations Code, or shall provide the grantor agency with a certification from the Texas Commission on Law Enforcement that the agency is in the process of achieving compliance with such rules if the Subrecipient is a law enforcement agency regulated by Texas Occupations Code, Chapter 1701.
7. Shall follow all assurances. When incorporated into a grant award or contract, standard assurances contained in the application package become terms or conditions for receipt of grant funds. Administering state agencies and subrecipients shall maintain an appropriate contract administration system to insure that all terms, conditions, and specifications are met. (See UGMS Section \_\_.36 for additional guidance on contract provisions).
8. Shall comply with the Texas Family Code, Section 261.101, which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Subrecipient shall also ensure that all program personnel are properly trained and aware of this requirement.
9. Shall comply with all federal statutes relating to nondiscrimination. 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 and the Americans with Disabilities Act of 1990 including Titles I, II, and III of the Americans with Disability Act which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities, 44 U.S.C. §§ 12101-12213; (d) the Age Discrimination Act of 1974, 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 the nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-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 this Grant.
10. Shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction subagreements.
11. Shall comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions 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 or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Shall comply with the provisions of the Hatch Political Activity Act (5 U.S.C. §§7321-29), which limit the political activity of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act and the Intergovernmental Personnel Act of 1970, as applicable.

## GRANT TERMS AND CONDITIONS

14. Shall insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA (EO 11738).
15. Shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition proposed for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.
16. Shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear 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).
17. Shall 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.
18. Shall assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
19. Shall comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) which requires the minimum standards of care and treatment for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public according to the Guide for Care and Use of Laboratory Animals and Public Health Service Policy and Government Principals Regarding the Care and Use of Animals.
20. Shall 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 residential structures.
21. Shall comply with the Pro-Children Act of 1994 (Public Law 103-277), which prohibits smoking within any portion of any indoor facility used for the provision of services for children.
22. Shall comply with all federal tax laws and are solely responsible for filing all required state and federal tax forms.
23. Shall comply with all applicable requirements of all other federal and state laws, executive orders, regulations, and policies governing this program.
24. And its principals are eligible to participate and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity and it is not listed on a state or federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement have Exclusions listed at <https://www.sam.gov/portal/public/SAM/>.
25. Shall adopt and implement applicable provisions of the model HIV/AIDS work place guidelines of the Texas Department of Health as required by the Texas Health and Safety Code, Ann., Sec. 85.001, et seq.

## GRANT TERMS AND CONDITIONS

### EXHIBIT E

#### Environmental Review

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

1. shall assess its federally funded projects for potential impact to environmental resources and historic properties.
2. shall submit any required screening form(s) as soon as possible and shall comply with deadlines established by TDEM. Timelines for the Environmental Planning and Historic Preservation (EHP) review process will vary based upon the complexity of the project and the potential for environmental or historical impact.
3. shall include sufficient review time within its project management plan to comply with EHP requirements. Initiation of any activity prior to completion of FEMA's EHP review will result in a non-compliance finding and TDEM will not authorize or release Grant funds for non-compliant projects.
4. as soon as possible upon receiving this Grant, shall provide information to TDEM to assist with the legally-required EHP review and to ensure compliance with applicable EHP laws and Executive Orders (EO) currently using the FEMA EHP Screening Form OMB Number 1660-0115/FEMA Form 024-0-01 and submitting it, with all supporting documentation, to TDEM for review. These EHP requirements include but are not limited to the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, EO 11988 – Floodplain Management, EO 11990 – Protection of Wetlands, and EO 12898 – Environmental Justice. Subrecipient shall comply with all Federal, State, and local EHP requirements and shall obtain applicable permits and clearances.
5. shall not undertake any activity from the project that would result in ground disturbance, facility modification, or purchase and use of sonar equipment without the prior approval of FEMA. These include but are not limited to communications towers, physical security enhancements involving ground disturbance, new construction, and modifications to buildings.
6. shall comply with all mitigation or treatment measures required for the project as the result of FEMA's EHP review. Any changes to an approved project description will require re-evaluation for compliance with EHP requirements before the project can proceed.
7. if ground disturbing activities occur during project implementation, Subrecipient shall ensure monitoring of ground disturbance and if any potential archeological resources are discovered, Subrecipient shall immediately cease construction in that area and notify FEMA and the appropriate State Historical Preservation Office.

## GRANT TERMS AND CONDITIONS

### EXHIBIT F

#### Additional Grant Conditions

1. Additional damage requiring a new Public Assistance project to be written must be reported within 60 days following the Project Scoping meeting with the State- Federal team.
2. All work must be done prior to the approved project completion deadline assigned to each Project (POP). Should additional time be required, a time extension request must be submitted which: a.) Identifies the projects requiring an extension. b.) Explains the reason for an extension. c.) Indicates the percentage of work that has been completed. d.) Provides an anticipated completion date. The reason for an extension must be based on extenuating circumstances or unusual project requirements that are beyond the control of your jurisdiction/organization. **Failure to submit a time extension request 60 days prior to the end of the period of performance may result in reduction or withdrawal of federal funds for approved work.**
3. Any significant change to a project's approved Scope of Work must be reported and approved through TDEM and FEMA before starting the project. Failure to do so will jeopardize grant funding. The Subrecipient shall submit requests for cost overruns requiring additional obligations to TDEM, who will forward to FEMA for review and approval prior to incurring costs.
4. The Project Completion and Certification Report must be submitted to TDEM within 60 days of all approved work being completed for each project. If any project requires the purchase of insurance as a condition of receiving federal funds, a copy of the current policy must be attached to this report, or Duplication of Benefits form certifying other funds were received to complete the project.
5. A cost overrun appeal on small Public Assistance projects must be reported to the Texas Division of Emergency Management (TDEM) within 60 days of completing the last small project in order to be considered for additional funding.
6. Appeals may be filed on any determination made by FEMA or TDEM. All appeals must be submitted to TDEM within 60 days from receiving written notice of the action you wish to appeal. Should you wish to appeal a determination contained in the project application, the 60 days will start the day the application is signed. Appeals for Alternative Projects will be subject to the terms of the signed agreement for the Alternative Project.
7. Public Assistance program projects will not receive funding until all of the requirements identified in the comments section of the Project Worksheet are met.
8. You may request a payment of funds on projects by initiating a Request for Reimbursement (RFR) in TDEM's Grant Management System (GMS) or an Advance of Funds Request (AFR), and including documentation supporting your request. Small Public Assistance projects are paid upon obligation and will be initiated by TDEM personnel. Payments for open projects must be requested at least quarterly if expenditures have been made in that quarter.
9. Subrecipients will be required to submit quarterly project reports (QPR) for open large projects using TDEM's GMS. Your assigned Grant Coordinator will coordinate the due date for your specific reporting. Public Assistance program small projects are typically exempt from quarterly reporting, however TDEM reserves the right to require QPRs on any smalls requiring a POP extension. The first quarterly report will be due at the end of the first full quarter following the quarter in which the project was obligated. No quarterlies are required for projects that Subrecipient has initiated a closeout request and has provided a certificate of completion. Failure to submit required quarterly reports for two or more quarters can result in withholding or deobligation of funding for Subrecipients until all reports are submitted and up-to-date.

## GRANT TERMS AND CONDITIONS

10. Subrecipients expending \$750,000 or more in total Federal financial assistance in a fiscal year will be required to provide an audit made in accordance with OMB Uniform Guidance; Cost Principles, Audit, and Administrative Requirements for Federal Awards, Subpart F. A copy of the Single Audit must be submitted to your cognizant State agency or TDEM within nine months of the end of the subrecipient's fiscal year. Consult with your financial officer regarding this requirement. If not required to submit a single audit, a letter must be sent to TDEM certifying to this.
11. Subrecipients will not make any award to any party which is debarred or suspended, or is otherwise excluded from participation in the Federal assistance programs (EO 12549, Debarment and Suspension). Subrecipient must maintain documentation validating review of debarment list of eligible contractors.
12. Subrecipients must keep record of equipment acquired by federal funds for the life cycle of the equipment. A life cycle for most equipment will be three years, but could be longer. If the fair market value of a piece of equipment is valued over \$5,000, FEMA will have the right to a portion of proceeds if equipment is sold. If the fair market value of a piece of equipment is less than \$5,000, the property can either be retained, sold or designated as surplus with no further obligation to FEMA.
13. TDEM will be using the new FEMA Public Assistance Delivery Model to facilitate the writing of project worksheets (Portal). Subrecipient will be responsible for establishing and maintaining an active account in the Portal and to provide and upload timely, all information requested that is needed to write accurate project worksheets. The Portal will provide the Subrecipient visibility of the entire project writing process.
14. TDEM will be using its new Grant Management System (GMS) for Subrecipient grant management functions. Subrecipient will access GMS to initiate Requests for Reimbursements (RFR), Advance of Funds Requests (AFR), Time Extensions, Scope and Cost changes requests, Quarterly Reports, Project Closeouts, Appeals, and other items deemed necessary by TDEM. Requested forms and processes may be adjusted and changed to accommodate GMS processes and requirements. Subrecipient agrees to monitor GMS as necessary to properly manage and complete awarded projects under this agreement.
- 16.2 CFR 200.210(a)(15), 2 CFR 200.331(a)(1)(xiii) and (a)(4) make reference to indirect cost rates. The Subrecipient may use the negotiated Indirect Cost Rate approved by its cognizant agency, or may use the 10% de minimis rate of modified total direct costs (MTDC) (as per § 200.414) when receiving Management Costs.

## GRANT TERMS AND CONDITIONS

### EXHIBIT G

Match Certification

#### **Additional Grant Certifications**

Subrecipient certifies that it has the ability to meet or exceed the cost share required for all subawards (Projects) and amendments (versions) under this Grant Agreement.

Duplication of Program Statement

Subrecipient certifies there has not been, nor will there be, a duplication of benefits for this project.

Match Certification

Federal Debt Disclosure

Subrecipient certifies that it is not delinquent on any Federal Debt.

#### **For Hazard Mitigation Projects Only:**

Maintenance Agreement

Applicant certifies that if there is a Maintenance Agreement needed for this facility copy of that agreement will be provided to TDEM.

Environmental Justice Statement

Federal Executive Order 12898 compliance requirements – If there are any concentrations of low income or minority populations in or near the HMGP project:

1. Applicant certifies that the HMGP project result will not result in a disproportionately high or adverse effect on low income or minority populations.  
OR
2. Applicant certifies that action will be taken to ensure achievement of environmental justice for low income and minority populations related to this HMGP project.

## Request for Information and Documentation Policy and Guideline

It is crucial to the success of the overall Grant Program and to the timely completion and closure of awarded projects that timelines be established for providing information and documentation. TDEM has developed a framework to support this endeavor following a progressive series of communications for the Subrecipient (RFI). TDEM will work with you throughout the RFI process as communication is the key to your success.

| RFI Timelines           |                                                                                                                                                                                                                                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Informal Request  | The primary contact for the Subrecipient will receive the RFI via email with five business days to respond.                                                                                                                                                                                                                  |
| Second Informal Request | A second email to the primary contact will be sent with an additional five business days to respond.                                                                                                                                                                                                                         |
| Third Informal Request  | A phone call will be made to the primary contact with a third email requesting the information to be provided within five business days. The Regional Section Administrator and State Coordinator will be copied.                                                                                                            |
| Fourth Formal Request   | The Supervising Program Director of Recovery will issue a certified letter to the highest ranking official highlighting previous requests and an additional ten days to provide the requested information.                                                                                                                   |
| Final Formal Request    | A final request by certified letter will be issued by the Deputy Assistant Director of Recovery, Mitigation, and Standards, or the Assistant Director of the Texas Division of Emergency Management to the highest ranking official giving the final ten business days to respond or deobligation of the project will begin. |
| Final Action            | If the RFI is not sufficiently answered, the project will be deobligated, and any previously paid funds must be returned to TDEM.                                                                                                                                                                                            |

Reference: RMS Services Grant Program Request for Information and Documentation August 2017

## GRANT TERMS AND CONDITIONS

Please initial by each Exhibit, acknowledging you have received them, understand them, and agree to abide by them.

SE Assurances – Non-Construction Programs, hereinafter referred to as “Exhibit A”

SH Assurances – Construction Programs, hereinafter referred to as “Exhibit B”

SH Certifications for Grant Agreements, hereinafter referred to as “Exhibit C”

SH State of Texas Assurances, hereinafter referred to as “Exhibit D”

SH Environmental Review Certification, hereinafter referred to as “Exhibit E”

SH Additional Grant Conditions, hereinafter referred to as “Exhibit F”

SH Additional Grant Certifications, hereinafter referred to as “Exhibit G”

SH Request for Information and Documentation referred to as “Exhibit H”

Please sign below to acknowledged acceptance of the grant and all exhibits in this agreement, and to abide by all terms and conditions.

  
Signature of Certifying Official

4-16-2020  
Date

STEVE BOYKIN - MAYOR  
Printed Name and Title

# Texas Division of Emergency Management

## Designation of Subrecipient Agent

### Primary Contacts

Subrecipient: City of Richwood

Disaster Number(s): DR-4485

Grant Program:

### Primary Agent

Serves as the primary point of contact for projects.

Name: ERIC FOERSTER

Office Number: 979.265.2082

Position/Job Title: CITY MANAGER

Fax Number:

Organization/employer: City of Richwood

Cell Number:

Email\* EFOERSTER@RICHWOODTX.GOV

The Primary Agent will have full GMS access

### Secondary Agent

Serves as the secondary point of contact for projects.

Name: Kirsten Garcia

Office Number: 979.265.2082

Position/Job Title: City Secretary

Fax Number:

Organization/employer: City of Richwood

Cell Number:

Email\* kgarcia@ricchwoodtx.gov

The Secondary Agent will have full GMS access

### Primary Finance Agent

Serves as the primary point of contact for financial matters.

Name: Kirsten Garcia

Office Number: 979.265.2082

Position/Job Title: City Secretary

Fax Number:

Organization/employer: City of Richwood

Cell Number:

Email kgarcia@richwoodtx.gov

The Primary Finance Contact will have full GMS access

### Certifying Official

Serves as the official representative of the organization.

Must possess the authority to obligate funds & enter into contracts for the organization.

Name: STEVE BOYKIN

Office Number: 979.265.2082

Position/Job Title: MAYOR

Fax Number:

Organization/employer: City of Richwood

Cell Number:

Email\* SBOYKIN@RICHWOODTX.GOV

GMS Access (pick 1) Full ☒ Read Only ☐ None ☐

*The above Primary and Secondary Agents are hereby authorized to execute and file the application on behalf of this organization for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or otherwise available. Primary Financial Agent and the Certifying Official are authorized to represent and act for this organization in all financial operations pertaining to this grant with the State of Texas. The Primary Agent will have authority to add or remove users within the Texas Division of Emergency Management (TDEM) Grant Management System (GMS) for all grants.*

\*Note: All email addresses must be unique to user

**Signature of Certifying Official**

(Must be a Mayor, Judge, or Executive Director with the authority to obligate funds & enter into contracts for the organization)

**STEVE BOYKIN**

Print Name

4/7/2020

Date

# Texas Division of Emergency Management

## Designation of Subrecipient Agent

| <b>Alternate Contacts (Optional)</b>                                                                                                                     |                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Subrecipient:                                                                                                                                            |                                                                                                                      |
| Disaster Number(s):                                                                                                                                      | Grant Program:                                                                                                       |
| <b>Alternate Contact</b>                                                                                                                                 |                                                                                                                      |
| List any additional contact here                                                                                                                         |                                                                                                                      |
| Name:                                                                                                                                                    | Office Number:                                                                                                       |
| Position/Job Title:                                                                                                                                      | Fax Number:                                                                                                          |
| Organization/employer:                                                                                                                                   | Cell Number:                                                                                                         |
| Email*                                                                                                                                                   | GMS Access (pick 1)   Full <input type="checkbox"/> Read Only <input type="checkbox"/> None <input type="checkbox"/> |
| If this contact replaces an existing contact, write their name below. Otherwise, leave blank or mark N/A                                                 |                                                                                                                      |
| <b>Alternate Contact</b>                                                                                                                                 |                                                                                                                      |
| List any additional contact here                                                                                                                         |                                                                                                                      |
| Name:                                                                                                                                                    | Office Number:                                                                                                       |
| Position/Job Title:                                                                                                                                      | Fax Number:                                                                                                          |
| Organization/employer:                                                                                                                                   | Cell Number:                                                                                                         |
| Email*                                                                                                                                                   | GMS Access (pick 1)   Full <input type="checkbox"/> Read Only <input type="checkbox"/> None <input type="checkbox"/> |
| If this contact replaces an existing contact, write their name below. Otherwise, leave blank or mark N/A                                                 |                                                                                                                      |
| <b>Alternate Contact</b>                                                                                                                                 |                                                                                                                      |
| List any additional contact here                                                                                                                         |                                                                                                                      |
| Name:                                                                                                                                                    | Office Number:                                                                                                       |
| Position/Job Title:                                                                                                                                      | Fax Number:                                                                                                          |
| Organization/employer:                                                                                                                                   | Cell Number:                                                                                                         |
| Email*                                                                                                                                                   | GMS Access (pick 1)   Full <input type="checkbox"/> Read Only <input type="checkbox"/> None <input type="checkbox"/> |
| If this contact replaces an existing contact, write their name below. Otherwise, leave blank or mark N/A                                                 |                                                                                                                      |
| <b>Alternate Contact</b>                                                                                                                                 |                                                                                                                      |
| List any additional contact here                                                                                                                         |                                                                                                                      |
| Name:                                                                                                                                                    | Office Number:                                                                                                       |
| Position/Job Title:                                                                                                                                      | Fax Number:                                                                                                          |
| Organization/employer:                                                                                                                                   | Cell Number:                                                                                                         |
| Email*                                                                                                                                                   | GMS Access (pick 1)   Full <input type="checkbox"/> Read Only <input type="checkbox"/> None <input type="checkbox"/> |
| If this contact replaces an existing contact, write their name below. Otherwise, leave blank or mark N/A                                                 |                                                                                                                      |
| <b>Alternate Contact</b>                                                                                                                                 |                                                                                                                      |
| List any additional contact here                                                                                                                         |                                                                                                                      |
| Name:                                                                                                                                                    | Office Number:                                                                                                       |
| Position/Job Title:                                                                                                                                      | Fax Number:                                                                                                          |
| Organization/employer:                                                                                                                                   | Cell Number:                                                                                                         |
| Email*                                                                                                                                                   | GMS Access (pick 1)   Full <input type="checkbox"/> Read Only <input type="checkbox"/> None <input type="checkbox"/> |
| If this contact replaces an existing contact, write their name below. Otherwise, leave blank or mark N/A                                                 |                                                                                                                      |
| <i>Additional Contacts are authorized to represent and act for this organization in all operations pertaining to this grant with the State of Texas.</i> |                                                                                                                      |
| <b>*Note:</b> All email addresses must be unique to user                                                                                                 |                                                                                                                      |

**Signature of Certifying Official**

(Must be a Mayor, Judge, or Executive Director with the authority to obligate funds & enter into contracts for the organization)

**Print Name**

**Date**

## Instructions:

- The Designation of Subrecipient Agent (DSA) form is divided into two pages, the Primary Contacts page and the optional Alternate Contacts page. The second page is not required if there are no additional contacts to list.
- In the header of the document, list the name of the subrecipient (the organization applying for the grant), as well as the disaster numbers and grant program this DSA applies to (the disaster number is 4 digits long and assigned by FEMA. For example, Hurricane Harvey is 4332. The grant program is either PA for Public Assistance or HMGP for Hazard Mitigation Grant Program.)
- Multiple disasters may be listed on one DSA as long as specific disaster numbers are indicated.
- None of the positions on the primary contact page may be left blank. However, the same person may hold multiple positions. Contacts may be left blank on the additional contact page.
- If a third party consultant/contractor is listed on the DSA, the agency that they are employed by should be listed in the Organization/Employer field.
- All contacts require a unique email address. Additionally, contacts on the DSA cannot share the same email address.
- All contacts must have a phone number listed.
- Granting a contact full Grants Management System (GMS) access will allow them to perform tasks such as submitting quarterly reports and requesting reimbursements, time extensions and scope/cost modifications within the State of Texas Grant Management System on behalf of the subrecipient. Granting a contact Read Only access will allow a contact to view information in GMS, but they will not be able to edit any existing information themselves.
- The Primary, Secondary, and Finance Agents will always be granted full GMS access for all grants within the program selected.
- The subrecipient can request that GMS access be added or revoked from a contact at any time if the need arises.
- The Certifying Official must be an individual who possesses the authority to obligate funds and enter into contracts on behalf of the subrecipient.
- Both pages, if applicable, of the DSA must be signed and dated by the certifying official.
- If a new DSA is submitted with a different person listed for a position on the primary contact sheet, the old contact holding that position will be removed. If a new contact is added on the additional contacts page, no old contacts will be removed unless they are specified in the field provided.



## **MEMORANDUM**

**TO:** Honorable Mayor and Members of Council

**FROM:** Eric Foerster, City Manager

**DATE:** May 8, 2020

**RE:** Agreement extension with MuniServices

Over the past few years, the City has contracted with MuniServices to perform compliance reviews for our sales tax allocations. So far, MuniServices has help collect the sales tax allocations for several businesses.

MuniServices is only paid for the collections (a percentage) that they find, and staff recommends contracting with them for another year.

Staff is seeking to renew this contract to achieve additional compliance reviews.

Eric

**Amendment No. 2 to  
Consultant Services Agreement**

This Amendment No. 2 is made as of April 17, 2020, by and between the City of Richwood, a municipal corporation of the State of Texas ("City"), and MuniServices, LLC a Delaware limited liability company ("Consultant") collectively the Parties.

**RECITALS**

- A. On or about June 19, 2017, City and Consultant entered into an agreement to provide Sales Tax Compliance Review Services (the "Agreement").
- B. The initial term of the Agreement was for a one-year term with the option to renew for two subsequent one-year terms.
- C. By way of this Amendment, City desires to exercise its second one-year option to extend the term of the Agreement for another year.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained here, the Parties agree as follows:

**AGREEMENT**

- 1. Section C. 1. Term of the Agreement.** Add to the end of Section C.1. Term of the Agreement the following:

By way of this Amendment 2, City hereby exercises its second option period to renew the Agreement, extending the term of the Agreement through June 18, 2021.

- 2. Other terms.** All other terms and conditions of the Agreement remained unchanged.

IN WITNESS WHEREOF, the parties are signing this Amendment on the date stated in the introductory paragraph.

**Consultant**  
MuniServices, LLC

**City of Richwood,**  
a Municipal Corporation

---

Mike Melka  
Chief Financial Officer

---

(signature)

---

(print name/title)

**MuniServices, LLC**  
**Consultant Services Agreement**

This Consultant Services Agreement (the "Agreement") is made as of the 19 day of June, 2017 ("Effective Date") by and between MuniServices, LLC, a Delaware limited liability company ("CONSULTANT") and The City of Richwood, a municipal corporation of the State of Texas ("CITY"). In consideration of the mutual promises herein contained and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

**A. Services**

1. CONSULTANT will provide CITY with the services described in EXHIBIT A which is attached hereto and incorporated by reference. CONSULTANT shall provide said services at the time, place, and in the manner specified in EXHIBIT A.
2. CONSULTANT shall furnish at its own expense all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.

**B. Compensation**

1. Upon execution of this Agreement, CITY will pay CONSULTANT as outlined in EXHIBIT B, incorporated and included herein.

**C. General Provisions**

1. Term of the Agreement: The initial term of this Agreement shall be for a period of one (1) year following the date of execution. Thereafter the City will have the option to renew the term of the Agreement for two subsequent one year terms if neither party has cancelled (the "Term"). Either party shall have the right to terminate this Agreement in the event of a material breach by the other party. Any such termination may be made only by providing sixty (60) days written notice to the other party, specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches. In the event that such cure is not made, this Agreement shall terminate in accordance with the initial sixty (60) days' notice. Notwithstanding the foregoing, either party may terminate the Agreement at any time and for any reason by providing thirty-days (30) written notice to the other party; provided however, that if CONSULTANT has not breached the Agreement and has commenced services identified in EXHIBIT A prior to the date of termination, CONSULTANT shall be entitled to payment as described in EXHIBIT B.
2. Effect of Termination: Notwithstanding non-renewal or termination of this Agreement, CITY shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CITY's receipt of revenue after termination which are subject to CONSULTANT's fee, the CITY shall remain obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CITY.
3. Independent Contractor: It is understood that CONSULTANT and its subcontractors, if any, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the CITY. CITY understands that CONSULTANT may perform similar services for others during the term of this Agreement and agrees that CONSULTANT representation of other government sector

clients is not a conflict of interest. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CITY's employees, and CONSULTANT hereby expressly waives any claim it may have to any such rights.

4. Subcontractors: CONSULTANT shall have the right to hire subcontractors to provide the services described herein. CONSULTANT, in rendering performance under this Agreement shall be deemed an independent contractor and nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. CONSULTANT shall be solely responsible for and shall hold CITY harmless from any and all claims for any employee related fees and costs including without limitation employee insurance, employment taxes, workman's compensation, withholding taxes or income taxes.
5. Notice: Any notice required to be given under this Agreement shall be in writing and either served personally, sent prepaid first class mail, or by express mail courier (i.e. FedEx, UPS, etc.). Any such notice shall be addressed to the other party at the address set forth below. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery.

**If to CITY:**

City of Richwood  
Attn: Mr. Michael Coon, City Manager  
1800 N. Brazosport Blvd.  
Richwood, TX 77531  
Phone: 979.265.2082  
Facsimile: 979.265.7345  
Email: [mcoon@richwoodtx.gov](mailto:mcoon@richwoodtx.gov)

**If to CONSULTANT:**

MuniServices, LLC  
Attn: Contracts Department  
7625 N. Palm Ave., Ste. 108  
Fresno, CA 93711  
Phone: 559.271.6852  
Facsimile: 559.312.2852  
Email: [contracts@muniservices.com](mailto:contracts@muniservices.com)

6. Representative or designees: CONSULTANT Primary Representative/Project Manager shall be:

Ted Kamel, Client Services Manager  
12301 Kurland Drive, Suite 150, Houston, TX 77034  
Phone: 903.597.3352/Email: [Ted.Kamel@MuniServices.com](mailto:Ted.Kamel@MuniServices.com)

For the convenience of the CITY, a short list of helpful contacts is attached and incorporated herein as EXHIBIT C.

7. Indemnity: CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to extent occurring or resulting from CONSULTANT's negligent or unlawful performance of its obligations under or breach of the terms of this Agreement, unless such claims, liabilities, or losses arise out of, or are caused at least in part by the sole negligence or willful misconduct of the CITY. "CONSULTANT's performance" includes CONSULTANT's action or inaction and the action or inaction of CONSULTANT's officers, employees, agents and subcontractors.
8. Limitation of Liability: In no event shall CONSULTANT, its employees, contractors, directors, affiliates and/or agents be liable for any special, incidental, or consequential damages, such as, but not limited to, delay, lost data, disruption, and loss of anticipated profits or revenue arising from or related to the services, whether liability is asserted in contract or tort, and whether or not CONSULTANT has been advised of the possibility of any such loss or damage. In addition, CONSULTANT's total liability hereunder, including reasonable attorneys' fees and costs, shall in no event exceed an amount equal to the fees described in EXHIBIT B. The foregoing sets forth the CITY's exclusive remedy for claims arising from or out of this Agreement. The provisions of this section allocate the risks

between CONSULTANT and the CITY and CONSULTANT's pricing reflects the allocation of risk and limitation of liability specified herein.

9. Insurance: CONSULTANT shall keep in full force and effect insurance coverage during the term of this Agreement, including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. The insurance certificate shall name the City, its agents, officers, servants and employees as additional insureds under the CGL and Automobile policies with respect to the operations and work performed by the named insured as required by written contract. The General Liability policy is Primary & Non-Contributory. Waiver of Subrogation applies under the General Liability and Workers' Compensation policies. The CGL insurance minimum coverage shall be at least \$1,000,000 per incident, claim or occurrence and \$2,000,000 aggregate. The Automobile Liability insurance minimum coverage shall be at least \$1,000,000 covering all owned, non-owned, and hired vehicles. The certificate shall provide that there will be no cancellation, termination, or non-renewal of the insurance coverage without a minimum 30-day written notice to the CITY, except in the case of cancellation for non-payment of premium which shall be at least 10-days written notice.
10. Equal Opportunity to Draft: The parties have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.
11. Assignment: This Agreement shall be binding upon and inure to the benefit of the parties, their successors, representatives and assigns. CONSULTANT shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CITY, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, CONSULTANT may assign this Agreement, in whole or in part, without the consent of CITY to any corporation or entity into which or with which CONSULTANT has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of CONSULTANT; or any corporation or entity which acquires all or substantially all of the assets of CONSULTANT. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.
12. Ownership of Documents: Except for CONSULTANT preexisting proprietary information and processes, any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by CONSULTANT pursuant to this agreement shall be the property of the CITY at the moment of their completed preparation.
13. Intellectual Property Rights: The entire right, title and interest in and to CONSULTANT's database and all copyrights, patents, trade secrets, trademarks, trade names, and all other intellectual property rights associated with any and all ideas, concepts, techniques, inventions, processes, or works of authorship including, but not limited to, all materials in written or other tangible form developed or created in the course of this Agreement (collectively, the "Work Product") shall vest exclusively in CONSULTANT or its subcontractors. The foregoing notwithstanding, in no event shall any CITY-owned data provided to CONSULTANT be deemed included within the Work Product.
14. Public Release and Statements: Neither party or its representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In

addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.

15. Force Majeure: CONSULTANT shall not be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, government, weather, fire, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications.
16. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter contained herein. Said Agreement shall not be amended, altered, or changed, except by a written amendment signed by both parties.
17. Counterparts: This Agreement may be signed in separate counterparts including facsimile copies. Each counterpart (including facsimile copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.
18. Invalidity: If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
19. Implementation: Implementation should begin as soon as possible from the signing of this Agreement (the "Effective Date") for the performance of services under the terms of this Agreement.

***[SIGNATURES ON FOLLOWING PAGE]***

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

**"CITY"**

**City of Richwood**  
a Municipal Corporation

By: Michael P. Lee

Name: Michael P. Lee

Title: City Manager

ATTEST:  
Giani Cantu

Name: City Secretary  
Title: Giani Cantu

**APPROVED AS TO FORM:**

Jason M. Cordoba  
Name: Jason M. Cordoba  
Title: City Attorney

**"CONSULTANT"**

**MuniServices, LLC**  
a Delaware limited liability company

By: Lisa Broussard

Lisa Broussard, CTE, CPA  
Senior Vice President Central Operations

## **EXHIBIT A – SCOPE OF WORK SALES TAX COMPLIANCE REVIEW**

### **Objectives and Methods**

CONSULTANT's Sales Tax Compliance Review is designed to assist CITY with economic forecasting and in preserving and enhancing its sales and use tax revenues by detecting, documenting, and correcting sales tax misallocations thereby producing previously unrealized revenue for CITY while giving the CITY a more accurate sales tax base upon which to forecast its revenue.

### **Scope of Work**

In providing the Sales Tax Compliance Review, CONSULTANT shall:

- Meet with CITY's designated staff to review service objectives, scope, procedures, coordination of effort, work plan schedule, public relations, and logistical matters.
- Establish an appropriate liaison with the CITY's coordinator and define logical checkpoints for reviewing progress.
- Perform a review of the CITY's businesses' sales/use tax remittances in an effort to ensure proper application of local sales/use tax law and achieve past and/or prospective compliance, as applicable.

On behalf of the CITY, CONSULTANT will assist the businesses, as necessary, in the preparation and filing of amended returns and/or reallocation requests with the Comptroller's office in order to gain compliance. CONSULTANT and/or the CITY may also provide additional documentation to the Comptroller's office to request its assistance in gaining compliance from taxpayers as needed.

### **Deliverables**

CONSULTANT will provide periodic progress reports to CITY in the form of status updates. These progress reports will also indicate areas in which CITY staff may further assist and improve the sales tax compliance review activities provided hereunder. CONSULTANT's progress reports will identify errors/omissions detected, documented and corrected and report on other services of benefit to CITY for the time period covered.

### **CITY Assistance**

CITY shall assist CONSULTANT by providing necessary information and assistance to include, without limitation, the following:

- Providing CONSULTANT, on a timely basis, information necessary to conduct its compliance review activities including but not limited to monthly tax payment histories.
- Providing two letters of authorization identifying CONSULTANT to local businesses and to the Texas Comptroller of Public Accounts and/or other state agencies as an authorized agent of CITY to perform sales and use tax reviews and to receive and examine taxpayer records (hard copy and electronic) necessary to assure sales and use tax compliance and revenue forecasts.
- Pursuing in good faith corrective action on errors and omissions detected by CONSULTANT.
- Issuing necessary documentation to the state to correct errors validated by CONSULTANT.

The parties agree that the CITY and/or the State Comptroller retain exclusive authority and responsibility to administer, interpret and enforce the CITY's sales and use tax, recognizing that CONSULTANT's role is limited to employing its unique expertise and proprietary tools for: i) detecting and documenting errors/omissions by taxpayers in the application, calculation, collection, and/or remittance of sales and use taxes and, ii) providing CITY with technical assistance, without assuming or being delegated the authority or responsibility of CITY to administer, interpret, and enforce its sales and use taxes.

## **EXHIBIT B – COMPENSATION SALES TAX COMPLIANCE REVIEW**

Provided that the Effective Date is on or before July 26, 2017 in exchange for CONSULTANT performing the work indicated above, the CITY will pay CONSULTANT as follows:

The CITY shall pay CONSULTANT a 30% contingency fee. The fee applies to the sales and use tax revenue received by the CITY from correction of taxpayer reporting errors detected and documented by the Sales Tax Compliance Review. The Contingency Fee applies to both: (a) past compliance (as applicable) -- sales and use tax revenues received by the CITY from prior periods; and (b) prospective compliance (as applicable) -- incremental increase in sales and use tax revenues received for the first eight consecutive reporting quarters (24 months) following correction of the errors and confirmation of receipt of revenue by the CITY. An incremental increase is calculated as the current month's correct tax remittance less the monthly average of the prior 12 months immediately prior to the first month of correct tax remittance.

CONSULTANT will invoice CITY quarterly based on past and/or prospective compliance secured on behalf of CITY. Invoices are due and payable upon receipt.

All expenses incurred by CONSULTANT in providing the Sales Tax Compliance Review are the sole and exclusive responsibility of CONSULTANT, except those expenses that receive prior written approval by CITY.

### **Completion of Services**

Notwithstanding anything else in this Agreement to the contrary, the CITY will pay CONSULTANT per the terms of this Agreement for services begun before termination or expiration of the Agreement even if the monies are received after termination or expiration. CONSULTANT will provide CITY with a list of accounts submitted but not yet corrected as of the expiration or termination within a reasonable time after the expiration or termination ("completion list"). CONSULTANT is allowed to continue working those accounts on the completion list for a reasonable time to obtain a correction.

### **Additional Consulting**

CITY may request that CONSULTANT provide additional consulting services at any time during the term of this Agreement. If CONSULTANT and CITY agree on the scope of the additional consulting services requested, then CONSULTANT shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, standard hourly rates range from \$75 per hour to \$200 per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

**EXHIBIT C**  
**CONSULTANT Helpful Contacts**

| <b>Contact</b>           | <b>Project Role</b>       | <b>Phone</b> | <b>Email</b>                                                                         |
|--------------------------|---------------------------|--------------|--------------------------------------------------------------------------------------|
| Ted Kamel, MBA           | Client Services Manager   | 903.952.9794 | <a href="mailto:ted.kamel@muniservices.com">ted.kamel@muniservices.com</a>           |
| Lisa Broussard, CTE, CPA | VP Client Services        | 713.459.5079 | <a href="mailto:lisa.broussard@muniservices.com">lisa.broussard@muniservices.com</a> |
| Chris Yearly, CPA        | VP, Sales & Use Tax Audit | 972.447.4953 | <a href="mailto:chris.yearly@muniservices.com">chris.yearly@muniservices.com</a>     |
| Irene Reynolds           | Client Relations Manager  | 559.271.6867 | <a href="mailto:irene.reynolds@muniservices.com">irene.reynolds@muniservices.com</a> |
| Francesco Mancia, MBA    | VP Government Relations   | 559.288.7296 | <a href="mailto:fran.mancia@muniservices.com">fran.mancia@muniservices.com</a>       |
| Patricia A. Dunn, MSHR   | Contracts Manager         | 559.271.6852 | <a href="mailto:patricia.dunn@muniservices.com">patricia.dunn@muniservices.com</a>   |

| Invoice    | Total                | Past               | Prospective          |
|------------|----------------------|--------------------|----------------------|
| 3/28/2018  | \$ 5,783.23          | \$ -               | \$ 5,783.23          |
| 6/28/2018  | \$ 39,350.58         | \$23,820.54        | \$ 15,530.04         |
| 9/30/2018  | \$ 14,494.36         | \$ -               | \$ 14,494.36         |
| 12/28/2018 | \$ 12,366.31         | \$ -               | \$ 12,366.31         |
|            | <b>\$ 71,994.48</b>  | <b>\$23,820.54</b> | <b>\$ 48,173.94</b>  |
|            |                      |                    |                      |
|            |                      |                    |                      |
| 3/22/2019  | \$ 14,414.65         | \$ -               | \$ 14,414.65         |
| 6/25/2019  | \$ 11,057.30         | \$ -               | \$ 11,057.30         |
| 9/30/2019  | \$ 9,808.07          | \$ -               | \$ 9,808.07          |
| 12/31/2019 | \$ 11,150.68         | \$ -               | \$ 11,150.68         |
|            | <b>\$ 46,430.70</b>  | <b>\$ -</b>        | <b>\$ 46,430.70</b>  |
|            |                      |                    |                      |
|            |                      |                    |                      |
| 3/31/2020  | \$ 8,442.35          | \$ -               | \$ 8,442.23          |
|            | <b>\$ 8,442.35</b>   | <b>\$ -</b>        | <b>\$ 8,442.23</b>   |
|            |                      |                    |                      |
|            |                      |                    |                      |
|            | <b>\$ 126,867.53</b> | <b>\$23,820.54</b> | <b>\$ 103,046.87</b> |



## MEMORANDUM

**TO:** Honorable Mayor and Members of Council

**FROM:** Kirsten Garcia, City Secretary

**DATE:** May 8, 2020

**RE:** Adoption of Local Financial Procedures Policy

This week, I was notified by our Grant Administrator that the General Land Office (GLO) requested we submit an updated Local Financial Procedures Policy. GLO was originally provided our current Investment Policy but after review, deemed this to be insufficient.

After researching city records, Marty (Interim Finance Director) and I were unable to locate something that met their exact needs.

The attached policy was drafted for us by our Grant Administrator and tailored to our current procedures. Without the adoption of this policy the General Land Office will not release funds for our CDBG-DR grant.

Going forward, we plan to develop a more in-depth policy that will be brought to council again at a later date.

Thank you,

A handwritten signature in blue ink that reads "K. Garcia".

Kirsten Garcia

## City of Richwood Financial Procedures

### INTRODUCTION

The purpose of financial management policies is to provide sound guidelines in planning the City's financial future. The City of Richwood considers the expenditure of funds to be an important responsibility and requires all persons involved with the purchase of goods or services to exercise good judgement in spending taxpayers' money.

### SCOPE OF AUTHORITY

The City Council is responsible for the expenditure of all City funds.

#### Financials

##### A. Bank Depository

The City maintains funds in a Bank, designated as its depository for banking services. The City Council reviews the selection every five years unless circumstances deem otherwise.

##### B. Accounts Payable

Three (3) are authorized to sign checks written on the bank depository account: Mayor, City Manager and City Secretary. All checks require two authorized signatures. No exceptions.

##### C. Accounting

The Finance Director is responsible for establishing the structure for the Account Ledger and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Finance Director shall provide financial reports to the Mayor monthly.

##### D. Audit of Accounts

An independent audit of the City accounts is performed annually. The Auditor is retained by and is accountable directly to the City Council. The City Council reviews the selection every five years unless circumstances deem otherwise.

##### E. Internal Controls

Whenever possible, written procedures will be established, maintained, and assessed per 2 CFR 200.303 by the City Secretary/Finance Director for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

Whenever possible, the City ensures duties and responsibilities are segregated so that no one individual has complete authority over a financial transaction.

### PROCEDURES

#### 1. Input Invoice into Record Keeping System –

*Invoices are tracked in the City's accounting software, which logs them in the General Ledger. Purchase orders are required as per our adopted purchasing policy (attachment A).*

#### 2. Review of Invoice –

*Department directors are required to review all invoices, code them to the proper accounts and sign. Signed and coded invoices will be turned over to the Finance Director who will review and recommend payment.*

#### 3. Timeline for Payment –

*All invoices approved for payment by the proper City authorities shall be paid within thirty (30) calendar days of receipt of goods or services or the invoice date, whichever is later, in accordance with State law.*

**Commented [AG1]:** The mayor and 5 Council Members, correct?

**Commented [AG2]:** Validate please

**Commented [AG3]:** It is also called Account Ledger. Please tailor to the City.

**Commented [AG4]:** Please confirm you issue financial reports, who is responsible and timeframe.

**Commented [AG5]:** How long is the independent Auditor contract? Is a new independent auditor selecting every year or there is long-term contract (2 years, 3 years, 5 years etc)?

**Commented [AG6]:** Please indicate who is responsible for insuring internal financial controls on cash handling and accounting

*The City will take advantage of all purchase discounts and early payment savings where possible.*

4. Issue Payment –

*Payments issued require two signatures. The Mayor, City Manager and City Secretary are authorized to write and sign checks. Council approval is required as per our purchasing policy (attachment A) for any purchases >\$50,000 and all capital purchases exceeding \$5,000 not planned in the annual budget.*

5. Payment Reconciliation –

*The Finance Director will reconcile the bank statements.*

6. Record Keeping –

*The Finance Director will document all expenditure and the City Secretary will ensure all record keeping policies are followed.*

#### PROCEDURES FOR GRANT PAYMENTS

1. Invoice is received and, if necessary, a request for payment is prepared by grant consultant and proper signatures obtained from Mayor, City Manager, Finance Director as authorized in original grant approval. The Finance Director reviews the invoice and compares it to the grant budget.
2. Invoice must be approved by the Finance Director and/or the City Secretary involved in the grant implementation or the Mayor. Approval is acknowledged by initialing the original invoice or through Council action.
3. Once grant funds are received and invoice approval acknowledged by signature on the original invoice, a demand check is entered into the system by the Finance Director's office, then printed and disbursed by the City Secretary. Both Mayor and City Secretary signature appear on the approved checks. Checks are then disbursed to the appropriate vendors. The Finance Director is responsible for ensuring that checks are signed and disbursed within five (5) calendar days of receiving grant funds.
4. Copies of the request for payment, invoice, canceled check copy and bank statement showing receipt of grant money is retained in the grant file in the City Secretary's office.

The City Manager and Finance Director authorize payments and issues of checks. Two signatures are required on each check, either the Mayor, City Manager, Finance Director. The City Secretary is responsible for reconciling the monthly bank statements.

#### CASH MANAGEMENT AND DISBURSEMENT - TIMELY EXPENDITURES

The City shall make timely payments to vendors and minimize the time between transferring funds from the State Treasury and disbursement of funds to vendors in compliance with the terms and conditions of the federal contract, grant, regulation, or statute.

To ensure vendor compliance, invoices/pay applications/pay estimates will be reviewed for accuracy for such items but not limited to change order approvals, outstanding lien/payments to subcontractors, labor standards, and verification of work completed as invoiced prior to disbursement or request for funds from State Agency. The City shall notify a vendor of an error in an invoice submitted for payment by the vendor.

#### ADVANCE PAYMENT PROCEDURES

All advanced payments using federal grant funds will be disbursed within five (5) business days from the date of the transfer of funds in accordance with 2 CFR 200.305(b), and in accordance with the provisions in the contract with the vendor.

Advance payments of federal grant funds will be deposited and maintained in a separate insured account. The City will maintain advance payments of federal awards in interest-bearing accounts, unless one or more of the

**Commented [AG7]:** Per the Signatory Resolution submitted with the Start-up documents to GLO and approved by City Council.

**Commented [AG8]:** Please clarify who reviews requests for payments for GLO at the City. Is it the City Secretary, the Finance Director, and/or the City Manager?

**Commented [AG9]:** City Manager, Finance Director and/or City Secretary? Please define who approves GLO Admin/Eng. / Construction Invoices.

**Commented [AG10]:** Please validate.

**Commented [AG11]:** Please validate

**Commented [AG12]:** Please validate if the GLO Project file is located in the City Secretary Office or the Finance Director Office.

**Commented [AG13]:** In which type of account, the City puts the grant funds into. What follow-up conditions apply?

- City receives less than \$120,000 in Federal awards per year;
- the City is not expected to earn interest in excess of \$500 per year on Federal cash balances; or
- the depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

following apply: City receives less than \$120,000 in Federal awards per year; the City is not expected to earn interest in excess of \$500 per year on Federal cash balances; or the depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources. (2 CFR 200.302(b)(6) and 200.305)

These Policies and Procedures are implemented through the City of Richwood administrative team of:  
**City Manager, City Secretary and Finance Director.**

---

Steve Boykin, Mayor

---

Date

## Purchasing Limits

| Dollar Threshold Per Unit Basis | Procurement Method                    | Director or Designee | Finance Director | City Manager | City Council |
|---------------------------------|---------------------------------------|----------------------|------------------|--------------|--------------|
| Less than \$500                 | Per Invoice / Charge account          | ✓                    |                  |              |              |
| \$500 to < \$5,000              | Purchase Requisition & Purchase Order | ✓                    | ✓                |              |              |
| \$5,000 to < \$50,000           | Purchase Requisition & Purchase Order | ✓                    | ✓                | ✓            | *            |
| \$50,000 or more                | Formal Bid or RFP & Purchase Order    |                      | ✓                | ✓            | ✓            |

✓ Denotes signature and/or approval – All purchases should have the signature of the purchaser and Director. If the Director is the purchaser and the purchase is ≤\$500 only his/her signature is needed.

\*All capital purchases exceeding \$5,000 not planned in the annual budget should go to City Council prior to purchase.

## Required Supporting Documentation

Minor purchases are any purchases under \$5,000. Any purchase over \$5,000 is considered a major purchase. The **required supporting documentation** for any purchase is as follows:

- Less than \$1,000 – Invoice, receipt, or other documents (i.e. packing slips, delivery tickets) *Verbal quotes are strongly encouraged for purchases under \$1,000.00. A requisition should be used to show quote comparisons for all asset purchases with a unit cost ≥ \$500.*
- \$1,000 to <\$3,000 – 2 verbal quotes noted on requisition in addition to documentation referenced in item 1
- \$3,000 to <\$5,000 – 2 vendor written quotes in addition to documentation referenced in item 1
- \$5,000 to <\$50,000 – 3 vendor written quotes in addition to documentation referenced in item 1
- \$50,000 or more – State Law requires a Formal Bid

The City must contact at least two historically underutilized businesses (HUBs) on a rotating basis, for any purchase below bid limits but >\$3,000, based on information provided by the Comptroller's Purchasing Program. If the list cannot identify a historically underutilized business (HUBs) in the Brazoria County, then the City is exempt from this section. (Pursuant to **Sec. 252.0215 Competitive Bidding in Relation to Historically Underutilized Business** as shown in the appendix section of this policy.)

To search the Texas Comptroller's most recent master list of certified historically underutilized businesses, go to: <http://www.window.state.tx.us/procurement/cmb/cmbhub.html>.

### **Supplies**

Supplies will be ordered as needed. Each department will be responsible to notify the purchasing agent when their supplies need to be ordered. Supplies will also need to be stored in the respective departments. The only supplies that will be kept "in stock" will be paper.

## City Managers Report

05/11/2020

Marty Coursey started this week as our Interim Finance Director, and she has done a great job coming in and getting things organized. There is a considerable amount of work to be done to get us back on track for where we need to be as far as budgeting goes. We are having to review the budget items for FY21 and we should be scheduling budget meetings with the council shortly once we get a grasp on what has and has not been completed with the FY 21 budget. Our budget calendar will be altered a bit due to the Corona virus issues and personnel changes. We are going to try and have a budget workshop with council on 06/27/20 if all goes as planned with our budget progress. Applications for the open Finance Director position are being taken at this time, with the first applicant being interviewed on Monday the 11<sup>th</sup>.

We were notified that our Windstorm Insurance was about to expire on 05/06/2020, so we renewed the insurance at 15% increase, which we knew was coming due to all of the previous storms and damages paid out over the past few years. The contract is included for review. Many of the old insurance coverages are no longer available and rates and deductibles have changed and increased. While budgeted, it was under budgeted for the current rate and increase. We may bring a budget amendment to council for the increase.

Our city staff has returned to working at City Hall, except for one employee who is high-risk. We have no concerns for her position as she is very effective working from home and there is no degradation of service with her not physically being here inside City Hall. Parks have returned to normal operation, except for the splash pad, which due to social distancing compliance, will remain closed for safety.

Hurricane Season is just around the corner. You will see some planning materials and reminders appearing on our social media platforms for the city. I have also spoken with Chief Mayer and Mayor Boykin and we have made some enhancements and updates to our emergency operation plans for the upcoming storm season.

Our current emergency declaration for Covid-19 expires on May 30<sup>th</sup>. It is my recommendation that we let it expire at that time unless there are significant changes between now and expiration.

Respectfully,

Eric Foerster, MPA, CPM



VICTOR INSURANCE MANAGERS INC

April 30, 2020

Eric Foster  
City Manager  
Richwood  
1800 N. Brazosport Blvd.  
N. Richwood, TX 77531

RE: Windstorm Proposal-AmRisc & Besso Carriers  
Renewal Date: 05/10/2020

Dear Eric:

Enclosed is the city's 2020-2021 windstorm proposal prepared by Victor Insurance Managers Inc. your windstorm insurance agent.

Victor Insurance has prepared this proposal by using your expiring windstorm insurance policy and information received from or shared with Texas Municipal League Intergovernmental Risk Pool (TMLIRP) as part of our relationship with them.

Please refer to the attached proposal quote for specifics regarding limits, deductibles, coinsurance and other additional optional coverages available. For actual terms, conditions, limitations, exclusions and warranties, please refer to the insurance policy specifically.

If you have any questions or find items needing to be amended, please contact me at (800) 284-4747 to discuss.

When you elect to bind coverage, please email the signed Proposal Acceptance Forms and supplemental forms to [Heena.Patel@Victorinsurance.com](mailto:Heena.Patel@Victorinsurance.com) no later than **May 6<sup>th</sup>, 2020** to maintain continuous coverage.

Sincerely,

*Heena Patel*

Heena A. Patel, AU  
Senior Account Executive, Vice President

cc: Michael Kuykendall, TMLIRP/Austin  
Jeff Trinker, TMLIRP Austin

Victor Insurance Managers Inc.  
Windstorm & Hail Proposal

**City of Richmond**  
May 10, 2020 to May 10, 2021

| Option | Carrier         | Property Type | Total Limit | Coinurance | Valuation Basis  | Deductible (Per Occurrence)       | Premium            | Policy/Broker/ Inspection Fee | Surplus Lines Taxes & Fees | Policy Premium     | Total Cost         |
|--------|-----------------|---------------|-------------|------------|------------------|-----------------------------------|--------------------|-------------------------------|----------------------------|--------------------|--------------------|
|        | AmRisc          | Commercial    | \$5,854,117 | N/A        | Replacement Cost | 1% per location, \$50,000 minimum | See detailed quote | See detailed quote            | See detailed quote         | See detailed quote | <b>\$42,162.75</b> |
|        | AmRisc & Lloyds | Commercial    | \$5,854,117 | N/A        | Replacement Cost | \$5,000 – per occurrence          | See detailed quote | See detailed quote            | See detailed quote         | See detailed quote | <b>\$49,397.26</b> |
|        | AmRisc & Lloyds | Commercial    | \$5,854,117 | N/A        | Replacement Cost | \$25,000 – per occurrence         | See detailed quote | See detailed quote            | See detailed quote         | See detailed quote | <b>\$46,467.75</b> |
|        | AmRisc & Lloyds | Commercial    | \$5,854,117 | N/A        | Replacement Cost | \$50,000 – per occurrence         | See detailed quote | See detailed quote            | See detailed quote         | See detailed quote | <b>\$43,816.50</b> |

Victor Insurance Managers Inc.  
Windstorm & Hail Proposal

**PROPOSAL ACCEPTANCE FORM**

This form must be signed and returned to Victor Insurance Managers Inc. no later than **May 5<sup>th</sup>, 2020**

**Please Return To:**

Victor Insurance Managers Inc.  
3100 Wilcrest Drive, Ste 200  
Houston, TX 77042  
Phone: (800) 284-4747  
Heena.Patel@Victorinsurance.com

**PREMIUM PAYMENT**

**Windstorm & Hail Coverages Accepted**

| Deductible Option | Total Limit  | Total Cost       |
|-------------------|--------------|------------------|
| <u>25,000</u>     | \$ 5,854,117 | <u>46,467.75</u> |

*By accepting this proposal, you acknowledge and understand a minimum policy premiums may apply, you have met all eligibility requirements regarding flood coverage at certain locations and you have reviewed the windstorm location's schedule and are in agreement with the locations and limits used in this proposal .*

I, the undersigned, as an authorized representative of:

**City of Richwood**

do hereby accept on behalf of the above named political  
subdivision the portions of the proposal as indicated above.

Signature of Authorized

Official: ERIC FOERSTER

Title: CITY MANAGER

Date: 5-5-20

**TMLIRP OFFICE USE ONLY**

Contribution: \_\_\_\_\_ Verified by: \_\_\_\_\_ Contract #: \_\_\_\_\_

☐ New Member

☐ Member Re-awarding

☐ Member Adding Coverage

## Property Application and Statement of Values



Unless notified otherwise, completion of this form replaces the application, statement of values, hard copy loss runs and formally executed loss letters. This form contains the information submitted to date. The form must be **completed**, signed and returned for underwriter's review and acceptance **within 30 days of inception**. Any inaccurate information identified on the returned form is automatically deemed noted and agreed by underwriters upon receipt, so **please return as soon as possible**.

**Named Insured:** City of Richwood **Account ID:** 734210  
**Mailing Address:** 1800 N Brazosport Blvd Clute TX 77531  
**Nature of business:** Muni

| Loc/Bldg No.   | Address                          | City | State | Zip | Building Area (Sq. ft.) | % Automatic Sprinklers | Original Year Built | ISO Const. (1 to 6) | No. of buildings | Initial each Section |
|----------------|----------------------------------|------|-------|-----|-------------------------|------------------------|---------------------|---------------------|------------------|----------------------|
| 1              | Per Schedule on file with AmRisk |      |       |     |                         |                        |                     |                     |                  |                      |
| 2              |                                  |      |       |     |                         |                        |                     |                     |                  |                      |
| 3              |                                  |      |       |     |                         |                        |                     |                     |                  |                      |
| 4              |                                  |      |       |     |                         |                        |                     |                     |                  |                      |
| 5              |                                  |      |       |     |                         |                        |                     |                     |                  |                      |
| 6              |                                  |      |       |     |                         |                        |                     |                     |                  |                      |
| <b>Totals:</b> |                                  |      |       |     | 23,378                  | 40%                    |                     |                     | 10               |                      |

If you have any questions regarding the type of construction or other information, discuss with your agent prior to signing this application.

| Valuation:     | RCV                              | RCV       | ALS            | ALS            | ALS            |             |
|----------------|----------------------------------|-----------|----------------|----------------|----------------|-------------|
| Coins:         | N/A                              | N/A       | 1/12th monthly | 1/12th monthly | 1/12th monthly |             |
| Loc/Bldg No.   | Building                         | BPP       | BI             | Rents          | EE             | Loc TIV     |
| 1              | Per Schedule on file with AmRisk |           |                |                |                |             |
| 2              |                                  |           |                |                |                |             |
| 3              |                                  |           |                |                |                |             |
| 4              |                                  |           |                |                |                |             |
| 5              |                                  |           |                |                |                |             |
| 6              |                                  |           |                |                |                |             |
| <b>Totals:</b> | \$4,810,076                      | \$794,041 | \$250,000      | \$0            |                | \$5,854,117 |

These values often form the basis of the policy's limit of liability. Please review carefully.

List ALL losses caused by requested perils for the prior 5 years that did or may exceed the specified threshold. Please add any losses if not listed. Incomplete loss history is considered material and may void coverage. **Threshold: \$5,000**

| DOL      | Description/COL  | Incurred | Status (O/C) | DOL | Description/COL | Incurred | Status (O/C) |
|----------|------------------|----------|--------------|-----|-----------------|----------|--------------|
| 08/25/17 | Hurricane Harvey | \$1,938  | C            |     |                 |          |              |
|          |                  |          |              |     |                 |          |              |
|          |                  |          |              |     |                 |          |              |
|          |                  |          |              |     |                 |          |              |
|          |                  |          |              |     |                 |          |              |

|                                                                                                                     |           |                                                                                                                     |           |
|---------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------|-----------|
| Has any policy or coverage been declined, cancelled or non-renewed during the prior 3 years (not applicable in MO.) | <b>NO</b> | Has any applicant been convicted of arson in the past 10 years?                                                     | <b>NO</b> |
| Is the applicant a S-Chapter Corporation, partnership or any other type of sole proprietor organization?            | <b>NO</b> | Any bankruptcies or tax credit liens against applicant in prior 5 years?                                            | <b>NO</b> |
| Does the applicant have any reason that they would not be aware of all losses for the prior 5 years?                | <b>NO</b> | Has net income been negative for 2 of the past 3 years? If so, please attach financials or tax returns for 3 years. | <b>NO</b> |
| For apartments, are there any HUD managed or Section 8 developments?                                                | <b>NO</b> | If habitational, is there any aluminum distribution wiring?                                                         | <b>NO</b> |

**Explain any Yes answers. If necessary, add additional pages, which are hereby made part of the application.**

**Warranties:** NONE  
 Warrant no losses last 5 years on properties to be covered unless specified in Property Application.  
 Warrant no expiring markets that are quoted herein unless exception by the underwriter.  
 Warrant no Exterior Insulation Finish System (EIFS) Construction.

List any Discrepancies. Discrepancies received by underwriters prior to a loss shall be deemed noted and agreed by underwriters. However, additional premium may be charged as of the date the information is received by underwriters.

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree. The Insured further acknowledges the fraud statement above and understands the Policy will contain a Fraud Notice by state. Severe cancellation penalties apply to CAT exposed property - Form is available upon request. Carriers' participation may change prior to binding or throughout the coverage period.

**To the best knowledge of the applicant and the producer, the above information is true and complete. Initial each Section.**

Applicant Printed Name: C E  
 Title: 5-5-20  
 Applicant Signature: [Signature]  
 Date: [Date]  
 Initial Each Section Above

Producer Printed Name: [Blank]  
 Producer Signature: [Blank]  
 Date: [Blank]  
 AR APP 11 09

## Eric Foerster

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**From:** Patel, Heena A <heena.patel@victorinsurance.com>  
**Sent:** Tuesday, May 5, 2020 1:52 PM  
**To:** Eric Foerster  
**Subject:** RE: Question for City of Richwood

Eric,

Last year's total cost was about \$40,194 at a \$5,000 deductible. We were lucky 3 years ago that this renewed before Harvey, and the insurance carrier was able to offer a 3 year policy at the same low rate.

Please let me know if you have any further questions.

Best,

*You are an integral part of our Victor community, and we remain open to serve the evolving needs of your customers. For up-to-date information on our COVID-19 measures, visit us [here](#).*



**Heena Patel, AU**  
Senior Account Executive, Vice President, Victor US  
  
3100 Wilcrest Drive, Suite 200, Houston, TX 77042  
P: 713-787-2424  
[heena.patel@victorinsurance.com](mailto:heena.patel@victorinsurance.com)  
[www.victorinsuranceus.com](http://www.victorinsuranceus.com)

15.60% INCREASE

---

**From:** Eric Foerster <efoerster@richwoodtx.gov>  
**Sent:** Tuesday, May 05, 2020 1:32 PM  
**To:** Patel, Heena A <heena.patel@victorinsurance.com>  
**Subject:** Question for City of Richwood

Heena,

Can you please tell me what deductible we had last year and what was total price last year?

I will have our signed copy to you today if I can get these questions answered.

Thanks,  
Eric

Eric Foerster, MPA, CPM  
City Manager-Richwood, Texas  
979-265-3583

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The information contained in this message and attachments, if any, is confidential and is intended solely for the use of the individual or entity to whom it is addressed. You should not copy, disclose or distribute this communication without the authority of Victor Insurance. Victor Insurance is neither liable for the proper and complete transmission of the information contained in this communication nor for any delay in its receipt. Victor Insurance does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. If you are not the intended recipient of this



**Texas Complaints Notice LMA 9080C**

**Terms & Conditions:**

**No Flat Cancellations**

**100% Minimum Earned Premium**

**60 Day Notice of Cancellation except 10 days for non-payment of premium**

**Fees are fully earned and nonrefundable**

**Nonpayment of premium(s) is considered insured's request to cancel - requested cancellations are subject to short-rate calculations and severe penalties**

**Specific Conditions:**

**Overlying Deductible: 1% per unit of Insurance as per the schedule of values**

**Law and Jurisdiction: This insurance shall be governed by the laws of the State of and subject to the jurisdiction of a court of competent jurisdiction within the United States of America, as determined in accordance with the provisions of the Service of Suit, Condition 9 of this insurance.**

**Nominee for Service of Suit:**

**Lloyd's: Lloyd's America, Inc, Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, New York 10017**

**The following Information was provided to Insurer(s) to support the assessment of the risk at the time of underwriting:**

**Information per Presentation which seen by Insurers.**

**Total Insurable Value: USD 6,054,117**

**Approximate breakdown of values as per Schedule contained within Submission which noted and agreed by Insurer(s).**

**Loss Record as seen**

**Notification of Claims to and Broker:**

**Jeffery M. Hart (Crawford and Company)**

**1405 N Cedar Crest Blvd (Ste 100) Allentown, PA, 18104 US**

**Jeffrey\_Hart@us.crawco.com**

**and**

**Amy White (Besso Limited)**

**8-11 Crescent, London, EC3N 2LY**

**amy.White@besso.co.uk**

**UNDERWRITERS'**  
**REPRESENTATIVE:**

**CRC**

**10375 Richmond Ave, Suite 500**

**Houston, TX 77042**

|                             |                                                     |
|-----------------------------|-----------------------------------------------------|
| <b>Premium:</b>             | <b>\$5,945.00</b>                                   |
| <b>Policy Fee</b>           | <b>\$500.00</b>                                     |
| <b>Broker Fee</b>           | <b>\$445.00 – Premiums and Fees are 100% Earned</b> |
| <b>Surplus Lines Tax:</b>   | <b>\$334.17</b>                                     |
| <b>Stamping Office Fee:</b> | <b>\$10.34</b>                                      |
| <b>Total:</b>               | <b>\$7,234.51</b>                                   |





10375 Richmond Ave. Suite 500 Houston, TX 77042 Phone: 888-728-7235 Fax: 713-532-4121

## QUOTATION CONFIRMATION

DATE: Apr 28, 2020  
ATTN: Heena Patel  
AGENCY: Victor Insurance Managers Inc.  
7937796

QUOTATION EXP. DATE: 5/10/20

Dear Heena,

We are pleased to confirm the following quotation that has been received from the carrier shown below. Please note that this quotation is based on the coverage, terms and conditions listed below, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted below and those terms originally requested. THIS COVERAGE MAY NOT BE BOUND WITHOUT A FULLY EXECUTED BROKERAGE AGREEMENT.

The terms of the quotation are as follows:

Insured Name: City of Richwood  
1800 N. Brazosport Blvd., Clute, TX 77531

Term: 5/10/2020 to 5/10/2021

AmRisc Securities: Underwriters at Lloyds - Contract Facilities  
Indian Harbor Insurance Company  
QBE Specialty Insurance Company  
Steadfast Insurance Company  
General Security Indemnity Company of Arizona  
United Specialty Insurance Company  
Lexington Insurance Company  
Safety Specialty Insurance Company  
HDI Global Specialty SE  
Old Republic Union Insurance Company

TIV: \$5,854,117

Interests Covered: ☒ Buildings  
☒ Contents  
☒ Other  
☒ Business Income / Extra Expense

Perils Covered: Wind & Hail Only

Limit of Liability: \$5,854,117 Per Occurrence - As Per Schedule; NOT Blanket

Sub Limits:

|             |                                                                                              |
|-------------|----------------------------------------------------------------------------------------------|
| \$100,000   | Accounts Receivable                                                                          |
| 30 Days     | Maximum \$100,000, the lesser of - Civil or Military Authority                               |
| 60 Days     | Maximum \$100,000, the lesser of - Contingent Time Element                                   |
| \$50,000    | Contractors Equipment; unscheduled: owned, leased, rented or borrowed; \$10,000 Any One Item |
| \$100,000   | Course of Construction                                                                       |
| \$10,000    | Course of Construction Soft Costs                                                            |
| 25% of loss | or \$5,000,000, the lesser of - Debris Removal                                               |
| \$50,000    | Electronic Data & Media                                                                      |
| \$25,000    | Errors & Omissions                                                                           |
| 90 Days     | Extended Period of Indemnity                                                                 |
| \$25,000    | Extra Expense/Expediting Expense                                                             |
| \$50,000    | Fine Arts                                                                                    |

|               |                                                                                             |
|---------------|---------------------------------------------------------------------------------------------|
| \$25,000      | Fire Brigade Charges                                                                        |
| \$15,000      | Fungus, Molds, Mildew, Spores, Yeast (Annual Aggregate)                                     |
| 30 Days       | Maximum \$50,000 - Ingress/Egress                                                           |
| \$25,000      | Leasehold Interest                                                                          |
| \$25,000      | Limited Pollution Coverage (Annual Aggregate)                                               |
| \$25,000      | Lock Replacement                                                                            |
| \$25,000      | Miscellaneous Unnamed Locations                                                             |
| \$1,000,000   | Newly Acquired Property (60 Days)                                                           |
| Included      | in Building Limit - Ordinance or Law - Coverage A                                           |
| 10% Per Bldg. | subject to a Max of \$1,000,000 Per Occurrence - Ordinance or Law - Coverage B & C Combined |
| Included      | in Time Element - Ordinance or Law - Coverage D                                             |
| Included      | in Building Limit - Ordinance or Law Coverage E                                             |
| 30 Days       | Ordinary Payroll                                                                            |
| \$25,000      | Plants, Lawns, Trees or Shrubs, limited to \$1,000 Any One plant, lawn, tree or shrub       |
| \$10,000      | Professional Fees (Annual Aggregate)                                                        |
| \$10,000      | Reclaiming, Restoring or Repairing Land Improvement                                         |
| \$10,000      | Reward Reimbursement                                                                        |
| \$10,000      | Royalties                                                                                   |
| \$50,000      | Service Interruption (72 Hour Qualifying Period)                                            |
| \$10,000      | Spoilage                                                                                    |
| \$25,000      | Transit                                                                                     |
| \$25,000      | Underground Pipes, Flues, & Drains                                                          |
| \$100,000     | Valuable Papers and Records                                                                 |
| Not Covered   | As per Schedule - Sinkhole Loss Extension (AR Sinkhole)                                     |

*Sublimits apply Per Occurrence, unless noted otherwise. Sublimits are part of, not in addition to, the Limit of Liability shown above.*

**Deductible:** 1% Per Occurrence Per Location; Subject to a minimum \$50,000 Per Occurrence - Named Storm Wind/Hail

\$50,000 Per Occurrence - All Other Wind/ Hail

**Valuation:** Replacement Cost - Property Damage EXCEPT Actual Cash Value - Roof coverings to be ACV if originally installed or last fully replaced prior to 2008  
Actual Loss Sustained - Time Element

**Coinsurance:** N/A - Property Damage  
1/12th Monthly Limitation - Time Element

**Forms:** AR TRIA EXCL 02 15  
Standard forms/endorsements in use at the time of binding available upon request.

**Terms & Conditions:**

- No Flat Cancellations
- 90 Day Notice of Cancellation, except 10 days for nonpayment of premium or material misstatement; subject to individual state requirements
- Severe cancellation penalties apply to CAT exposed property.
- Fees are fully earned and non refundable
- Thirty-Five Percent (35%) Minimum Earned Premium
- Nonpayment of premium(s) is considered insured's request to cancel - requested cancellations are subject to short-rate calculations and severe penalties
- Carriers' participation may change at the time of binding or throughout the coverage period
- If a Named Storm is in existence, binding or increase in coverage is not allowed without approval of the underwriter
- Any Additional or Return premium under \$500 shall be waived, except for new perils or coverages added.

**Specific Terms & Conditions:**

- 1) Percent deductibles are per occurrence, per Location.
- 2) Coverage explicitly excludes all Flood including but not limited to Flood during windstorm events.
- 3) Limits are as per Schedule by Building, NOT blanket.



## QUOTATION CONFIRMATION

DATE: Apr 28, 2020  
AGENCY: Victor Insurance Managers Inc.  
8491265

QUOTATION EXP. DATE: 5/10/20

Dear Heena,

We are pleased to confirm the following quotation that has been received from the carrier shown below. Please note that this quotation is based on the coverage, terms and conditions listed below, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted below and those terms originally requested. THIS COVERAGE MAY NOT BE BOUND WITHOUT A FULLY EXECUTED BROKERAGE AGREEMENT.

The terms of the quotation are as follows:

Insured Name: City of Richwood  
1800 N. Brazosport Blvd., Clute, TX 77531

Carrier: Underwriters at Lloyd's - Contract Facilities

Term: 5/10/2020 to 5/10/2021

TIV: \$5,854,117

Covered Location: As Per Schedule

Interests Covered: ☒ Buildings  
☒ Contents  
☒ Other  
☒ Business Income / Extra Expense

Perils Covered: Wind & Hail Only

Limit of Liability: This Policy shall pay the difference between the Deductible(s) of the Overlying Insurer(s) as stated below, and the Insured's Retention set forth below, subject always to the Maximum Amount Payable

\$53,541 Per Occurrence

In Excess of: \$5,000 Per Occurrence

Forms: Wording: Deductible Buy Back – Stevens 19 - LSW1900 amended.  
Biological and Chemical Materials Exclusion A.1.  
Pre-Existing Damage Exclusion A.3.  
Radioactive Contamination Exclusion A.4.  
Terrorism Exclusion A.5.  
War, Confiscation Exclusion A.6.  
Sanctions Exclusion B.1.  
60 days, 10 days for non payment Cancellation Clause – Condition 2.  
Fraudulent Claim - Condition 5.  
U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause – LMA 5390  
Cyber and Data Exclusion LMA5401  
Communicable Disease Endorsement – LMA5393  
Minimum Earned Premium LSW757- amended to 100%  
Data Protection Short Form Information Notice LMA9151 amended  
Texas Surplus Lines Clause LMA 9079

- 4) Coverage excludes all damage directly or indirectly caused by any Named Storm in existence upon receipt of written request to bind.
- 5) Business Income and Extra Expense are limited to 1/12th monthly.
- 6) Compass Policy Section II.A. 'Covered Cause of Loss' is deleted in its entirety and replaced with the following: II.A Covered Cause of Loss: This policy insures all direct physical loss or damage to Covered Property for the perils of Windstorm and Hail only, except as excluded
- 7) Roof coverings to be ACV if originally installed or last fully replaced prior to 2008

**Subject to:**

- All Quotes and Binders are subject to satisfactory inspections, recommendation compliance and satisfactory financials;
- Signed AmRisc Application/SOV, Signed Flood Notice, Signed TRIA Disclosure Notice(s) due at binding
- As a condition of binding provide revised SOV that deletes Outdoor Trees/Shrubs coverage is subject to the highlighted sublimit below; delete Unscheduled outdoor property

**Warranties:**

None

|                      |                                   |
|----------------------|-----------------------------------|
| Premium:             | \$34,715.00                       |
| Policy Fee           | \$750.00                          |
| Broker Fee           | \$2,690.00                        |
| Inspection Fee       | \$2,000.00 – Fees are 100% Earned |
| Surplus Lines Tax:   | \$1,947.52                        |
| Stamping Office Fee: | \$60.23                           |
| Total:               | \$42,162.75                       |

Option to **ELECT** Terrorism Coverage:

|                         |             |
|-------------------------|-------------|
| TRIPRA Premium:         | \$1,735.00  |
| Additional Taxes:       | \$86.76     |
| Total including TRIPRA: | \$43,984.51 |

## DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

**INSURED:** City of Richwood

**Account ID:** 734210

**LIMITS:** As per the attached Authorization or Indication

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Any coverage you purchase for 'acts of terrorism' shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate unless the TRIA Program is reauthorized or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

|                                     |                                                                                                                                                                        |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/>            | I hereby elect to purchase coverage for acts of terrorism for a prospective premium of \$1735                                                                          |
| <input checked="" type="checkbox"/> | I hereby elect to have coverage for acts of terrorism excluded from my policy.<br>I understand that I will have no coverage for losses arising from acts of terrorism. |

CE Foerster  
Policyholder/Applicant's Signature

CE. FOERSTER  
Print Name

5-6-20  
Date

**This notice applies to the following carriers and their respective participation quoted herein:**

Certain Underwriters at Lloyds  
Indian Harbor Insurance Company  
QBE Specialty Insurance Co.  
Steadfast Insurance Company  
General Security Indemnity Company of Arizona  
United Specialty Insurance Company  
Lexington Insurance Company  
Safety Specialty Insurance Company  
HDI Global Specialty SE  
Old Republic Union Insurance Company

## **Flood Notice**

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**If the policy issued by AmRisc excludes Flood, the following shall apply:**

### **Flood Exclusion Acknowledgement**

I understand the policy issued by AmRisc does NOT provide coverage for loss or damage caused by or resulting from Flood, including any Flood and/or storm surge associated with windstorm events.

I understand that Flood insurance can be purchased elsewhere from a private flood insurer or the National Flood Insurance Program.

It is strongly recommended that Insureds in "Special Flood Hazard Areas" or areas subject to Flood, including Flood and/or storm surge from windstorm events, obtain Flood coverage.

I also understand that execution of this form does NOT relieve me of any obligation that I may have to my mortgagees or lenders to purchase Flood insurance.

**If the policy issued by AmRisc includes Flood, the following shall apply:**

### **Flood Coverage**

I understand the policy issued by AmRisc does provide coverage for loss or damage caused by or resulting from Flood, including any Flood and/or storm surge associated with windstorm events.

I understand that loss or damage caused by or resulting from Flood, including any Flood and/or storm surge associated with windstorm events, will be subject to the Flood sublimit stated elsewhere in the policy

I understand that if I do not sign this form that my application for coverage may be denied or that my policy issued by AmRisc may be cancelled or non-renewed. I have read and I understand the information above.

Named Insured: City of Richwood  
Account No.: 734210

C.C. [Signature]  
Policyholder/Applicant's Signature

C.E. FOERSTER  
Print Name

5-6-20  
Date