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STATE OF TEXAS

COUNTY OF TRAVIS

TWDB CONTRACT NO. 2600013282

VICTORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

This Groundwater Science, Research, and Data Collection Grant Agreement (hereinafter "GRANT AGREEMENT") between the Texas Water Development Board (hereinafter "TWDB") and Victoria County Groundwater Conservation District (hereinafter "GRANTEE"), is composed of two parts: SECTION I. SPECIFIC CONDITIONS AND EXCEPTIONS TO THE STANDARD AGREEMENT; and SECTION II. STANDARD AGREEMENT. The terms and conditions set forth in SECTION I will take precedence over terms and conditions in SECTION II.

SECTION I. SPECIFIC CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT

ARTICLE l. DEFINITIONS

For the purposes of this GRANT AGREEMENT, the following terms or phrases are defined as follows:

1. TWDB – The Texas Water Development Board, or its designated representative

2. GRANTEE – Victoria County Groundwater Conservation District

3. EXECUTIVE ADMINISTRATOR – The Executive Administrator of TWDB or their designated representative

4. PARTICIPANT(S) – Any independent contractors (including consultants) or other entities involved with the GRANTEE's project

5. GROUNDWATER SCIENCE, RESEARCH, AND DATA COLLECTION PROJECT (PROJECT) –

   The Development of the Central Gulf Coast Brackish Groundwater Flow Model for Groundwater Management and Planning: Subsidence Data Collection and Analysis

6. GRANT AGREEMENT – This Grant Agreement consists of the following:
   a. Exhibit A – Scope of Work;
   b. Exhibit B – Task and Expense Budget;
   c. Exhibit C – Requirements and Guidelines for Equipment, Data, and Models; and

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d. GRANTEE's Application for Funding is incorporated herein by reference.

7. GRANT AGREEMENT START DATE – Upon Execution by Both Parties

8. EQUIPMENT DEPLOYMENT DEADLINE – May 31, 2028

9. PROJECT COMPLETION DEADLINE – May 31, 2028

10. FINAL DELIVERABLES DEADLINE – July 14, 2028

11. GRANT AGREEMENT EXPIRATION DATE – August 31, 2028. Date by which all funding requests must be submitted.

12. TOTAL PROJECT COST – $168,500.00

13. TWDB SHARE OF TOTAL PROJECT COST – Not to exceed $158,500.00

14. DISTRICT SHARE OF THE TOTAL PROJECT COST (if applicable) – $10,000.00

15. PROGRESS REPORT(S) – The TWDB-approved form for periodically reporting eligible expenses.

16. PAYMENT REQUEST SCHEDULE – Payment request(s) must be submitted **quarterly** with PROGRESS REPORTS, pursuant to the PROGRESS REPORT SCHEDULE, ahead of State of Texas fiscal year quarters ending in November, February, May, and August.

17. PROGRESS REPORT SCHEDULE – PROGRESS REPORTS must be submitted **quarterly** according to the schedule listed below. Data Report #1 listed in the schedule is only applicable if the PROJECT includes equipment deployment. If the PROJECT includes equipment deployment and additional tasks after deployment, a quarterly PROGRESS REPORT is required according to the schedule listed below. If the PROJECT is only for equipment purchase and installation, PROGRESS REPORTS are not required after the equipment is deployed and only a data report and final deliverables are required according to the schedule listed below:

Schedule Item	Due Date
Progress Report #1	Friday, October 16, 2026
Progress Report #2	Friday, January 15, 2027
Progress Report #3	Friday, April 16, 2027
Data Report #1	Friday, May 14, 2027
Progress Report #4	Friday, July 16, 2027
Progress Report #5	Friday, October 15, 2027
Progress Report #6	Friday, January 14, 2028
Progress Report #7	Friday, April 14, 2028
Draft Final Deliverables	Friday, May 19, 2028

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Project Completion Deadline	Wednesday, May 31, 2028
Final Deliverables	Friday, July 14, 2028
Grant Agreement Expiration	Thursday, August 31, 2028

18. OTHER SPECIAL CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT OF THIS GRANT AGREEMENT – GRANTEE must comply with all of the following, where applicable:

    a. The GRANTEE may request an advance payment after the GRANT AGREEMENT START DATE and the EXECUTIVE ADMINISTRATOR may advance to the GRANTEE up to twenty-five percent (25%) of the TWDB SHARE OF TOTAL PROJECT COST. All advanced funds received must be deposited into an interest-bearing account by GRANTEE.

    b. After GRANTEE has received the initial advance, TWDB will then begin reimbursing the GRANTEE subsequent reimbursable amounts of TWDB SHARE OF TOTAL PROJECT COST. GRANTEE will continue to submit reimbursement requests that apply to reconciling the initial advance. TWDB will then reimburse unreconciled amounts.

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SECTION II. STANDARD AGREEMENT

ARTICLE I. RECITALS

Whereas, GRANTEE applied through TWDB for a Groundwater Science, Research, and Data Collection Grant for the PROJECT;

Whereas, GRANTEE was selected to receive grant funds and will be responsible for the execution of this GRANT AGREEMENT; and

Whereas, TWDB granted EXECUTIVE ADMINISTRATOR the authority to enter into this GRANT AGREEMENT on June 25, 2026;

Now, therefore, TWDB and GRANTEE agree as follows:

ARTICLE II. WORK TO BE PERFORMED

1. The GRANTEE will conduct the PROJECT:
   A. In accordance with *Exhibit A: Scope of Work*;
   B. In compliance with *Exhibit B: Task and Expense Budget*;
   C. In accordance with *Exhibit C: Requirements and Guidelines for Data, Equipment, and Models*; and
   D. In accordance with the representations made in the GRANTEE's Application for Funding, incorporated herein by reference.

2. Reporting through PROGRESS REPORTS according to the PROGRESS REPORT SCHEDULE, including results to date, must be provided to the TWDB according to the terms of this GRANT AGREEMENT. Special interim reports on specific topics and/or results must be provided as appropriate when requested by the TWDB.

3. For PROJECT with equipment deployment:
   A. The GRANTEE and PARTICIPANTS must follow industry standards and best practices to ensure the equipment is deployed properly and maintenance is performed regularly to keep equipment in good working order. *Exhibit C: Requirements and Guidelines for Data, Equipment, and Models* is provided as a resource to assist with this effort.
   B. All approvals or authorizations necessary for or in connection with equipment deployment must be completed and received by the GRANTEE and provided to the TWDB in a PROGRESS REPORT.
   C. The GRANTEE must maintain records of equipment purchases and ensure that the equipment is used only for the intended purpose and in conformance with any warranty or guarantee included with the purchase of the equipment.
   D. The GRANTEE must maintain records relating to the necessity for and the use of the equipment to further the purposes of this GRANT AGREEMENT. The

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GRANTEE and PARTICIPANTS will be liable for any damage to and loss of such equipment if such damage or loss is due to GRANTEE or PARTICIPANTS negligence or deliberate misuse.

E. The GRANTEE is responsible for routine maintenance tasks associated with equipment throughout the PROJECT and after the PROJECT is completed. The TWDB will not provide routine maintenance for sites or equipment deployed for the PROJECT.

F. Upon delivery of the final deliverables, the GRANTEE maintains ownership of equipment purchased for the PROJECT and is responsible for ongoing equipment and/or site maintenance.

G. If this GRANT AGREEMENT is terminated for any reason prior to the completion of the PROJECT, the TWDB may require purchased equipment be returned to the TWDB or may allow the GRANTEE to reimburse the TWDB and maintain ownership of the equipment.

20. For PROJECT with numerical groundwater model development:

The GRANTEE and PARTICIPANTS must follow industry standards and best practices for numerical groundwater flow model development. *Exhibit C: Requirements and Guidelines for Data, Equipment, and Models* is provided as a resource to assist with this effort and includes requirements for compatibility with TWDB groundwater availability models.

ARTICLE III. GRANT AGREEMENT TERM, SCHEDULE, REPORTS, AND OTHER DELIVERABLES

1. **Agreement Term.** This GRANT AGREEMENT begins, and GRANTEE is authorized to begin performing its obligations hereunder, on the GRANT AGREEMENT START DATE and expires on the GRANT AGREEMENT EXPIRATION DATE.

A. Delivery of acceptable deliverables constitutes completion of the terms of this GRANT AGREEMENT. GRANTEE must notify EXECUTIVE ADMINISTRATOR and the project manager in writing within one business day of any problems encountered that could delay the timely completion of any portion of this GRANT AGREEMENT.

B. EXECUTIVE ADMINISTRATOR will formally close out the GRANT AGREEMENT on the GRANT AGREEMENT EXPIRATION DATE. Once the GRANT AGREEMENT is closed, any remaining funds will lapse and be reallocated. No further payment requests will be considered by TWDB after closure of the GRANT AGREEMENT. After the GRANT AGREEMENT EXPIRATION DATE, GRANTEE will be required to request funding from the Texas Comptroller of Public Accounts.

2. **Progress Reports**. The GRANTEE must provide written PROGRESS REPORTS according to the PROGRESS REPORT SCHEDULE. Guidelines for progress reports are available to the GRANTEE online at www.twdb.texas.gov/about/contract_admin/index.asp. Progress reports must include:

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A. A brief statement of the overall progress made since the last status report for each task outlined in *Exhibit B: Task and Expense Budget*;

B. A brief description of any problems that have been encountered during the previous reporting period that may affect the project, delay the timely completion of any portion of this GRANT AGREEMENT, or inhibit the completion of or cause a change in any of the project's objectives or deliverables; and

C. A description of any action the GRANTEE plans to take to correct any problems that have been encountered.

3. **Draft Final Report/Deliverables**: The GRANTEE must complete *Exhibit A: Scope of Work* and must deliver an electronic copy of a draft final report and other deliverables to the TWDB according to the PROGRESS REPORT SCHEDULE. A generic report template and additional report formatting guidelines are available to the GRANTEE online at www.twdb.texas.gov/about/contract_admin/index.asp. The draft final report must include:

   A. A general report structure that includes a table of contents, list of figures, list of tables, an executive summary, scientific analysis methods/analysis of research results/scientific findings, conclusions and recommendations, a list of references, and any other pertinent information;

   B. A copy of *Exhibit A: Scope of Work*;

   C. A description of the groundwater science, research, and/or data collection performed;

   D. The methodology and materials used;

   E. Any diagrams or graphics used to explain any procedures or methods related to the study; and

   F. An electronic copy of any other deliverables (data files, programming code, MODFLOW 6 model files, map files, and other supporting documentation) developed under the terms of this GRANT AGREEMENT (data deliverables and/or model-related documentation must adhere to *Exhibit C: Requirements and Guidelines for Data, Equipment, and Models*).

4. **Final report/deliverables**: After a 30-day review period, the TWDB will provide review comments for the GRANTEE. The GRANTEE must respond to and consider incorporating all comments provided by the TWDB on the draft final report and other deliverables and must include a copy of the comments and the GRANTEE's responses in the final report. The GRANTEE must submit the following by the FINAL DELIVERABLES DEADLINE:

   A. One (1) electronic copy of the entire final report in Portable Document Format (.pdf),

   B. One (1) electronic copy of the entire final report in Microsoft Word Format (.docx), and

   C. One (1) electronic copy of other deliverables (any data files, programming code, MODFLOW 6 model files, or map files) developed under the terms of this agreement.

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NOTE: The electronic copy of a final report(s) or other deliverable(s) must comply with the requirements and standards specified in 1 Texas Administrative Code (TAC) Chapters 206 and 213 (related to Accessibility and Usability of State Web Sites). Web Content Accessibility Guidelines (WCAG) 2.1 Level AA Standard – WCAG 2.1 Quick Reference can be found at: www.w3.org/WAI/WCAG21/quickref/.

Complying with this clause will require demonstrated proof of compliance utilizing TWDB's checklists. For the deliverable in .pdf format, use the checklist and verification form found at: www.twdb.texas.gov/about/contract_admin/index.asp to demonstrate compliance and submit the completed form with the deliverable. Acceptance of the final report(s) or other deliverable(s) is contingent upon compliance with this clause.

5. After a 30-day review period, the TWDB will either accept or reject the final report and other deliverables. If the final deliverables are rejected, the rejection letter sent to the GRANTEE will state the reasons for rejection and the steps the GRANTEE must take to have the final deliverables accepted.

6. The EXECUTIVE ADMINISTRATOR will not extend the PROJECT COMPLETION DEADLINE or the GRANT AGREEMENT EXPIRATION DATE.

ARTICLE IV. COMPENSATION AND REIMBURSEMENT

1. TWDB agrees to compensate and reimburse the GRANTEE in an amount not to exceed TWDB SHARE OF TOTAL PROJECT COST for costs incurred and paid by the GRANTEE pursuant to performance of this GRANT AGREEMENT. If applicable, the GRANTEE will contribute DISTRICT SHARE OF TOTAL PROJECT COST. TWDB will reimburse the GRANTEE for one hundred percent (100%) of TWDB SHARE OF TOTAL PROJECT COST of each invoice.

2. GRANTEE has budget flexibility within task and expense budget categories to the extent that the resulting change in amount in any one task or expense category does not exceed 35% of the total authorized amount by this GRANT AGREEMENT for the task or category. Larger deviations require approval by the EXECUTIVE ADMINISTRATOR or their designee, and will be documented through an Approved Budget Memorandum to the TWDB contract file. GRANTEE will be required to provide written explanation for the overage and reallocation of the task and expense amount.

3. GRANTEE must submit payment requests and documentation for reimbursement billing according to the PAYMENT REQUEST SCHEDULE and in accordance with the approved task and expense budgets contained in *Exhibit B: Task and Expense Budget.*

4. The GRANTEE must submit a PROGRESS REPORT and payment request package, according to the PAYMENT REQUEST SCHEDULE and *Exhibit B: Task and Expense Budget*:

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A. GRANTEE must submit a signed and completed payment request using the current spreadsheet located at: www.twdb.texas.gov/about/contract_admin/index.asp. The completed and signed Reimbursement Request Worksheet includes the following:
   (1) TWDB Contract Number
   (2) Task Order Number
   (3) Billing period: beginning (date) to ending (date)
   (4) Total expenses for the billing period.
   (5) Labor-related costs are to be itemized as follows:
      a. Personnel Name
      b. Labor Category
      c. Hours Worked
      d. Actual Rate
   (6) Total costs to be reimbursed by TWDB for the billing period, and
   (7) Certification, signed by GRANTEE's authorized representative, that the expenses submitted for the billing period are a true and correct representation of amounts paid for work performed directly related to this GRANT AGREEMENT.

B. For direct expenses incurred by GRANTEE other than subcontracted work:
   (1) Copies of detailed, itemized invoices/receipts for other expenses (credit card summary receipts or statements are not acceptable)

C. For direct expenses incurred by GRANTEE for subcontracted work with PARTICIPANTS:
   (1) Copies of invoices from the PARTICIPANTS to GRANTEE; and
   (2) Copies of detailed, itemized invoices/receipts for other expenses (credit card summary receipts or statements are not acceptable.).

D. For travel expenses for GRANTEE and/or PARTICIPANT(S):
   (1) Names, dates, work locations, time periods at work locations, itemization of subsistence expenses of each employee, limited, however, to travel expenses authorized for state employees by the General Appropriations Act, Tex. Leg. Regular Session, 2019, Article IX, Part 5, as amended or superseded.
   (2) Receipts for lodging.
   (3) Copies of invoices or tickets for transportation costs or, if not available, names, dates, and points of travel of individuals; and
   (4) All other reimbursable travel expenses -- invoices or purchase vouchers showing reason for expense with receipts to evidence the amount incurred.

5. Incomplete reimbursement requests will be returned to GRANTEE if deficiencies are not resolved within ten (10) business days.

6. If for some reason the reimbursement request cannot be processed due to the need for an amendment to the GRANT AGREEMENT, GRANTEE must resubmit the payment request, dated after execution of the amendment.

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7. The GRANTEE and any PARTICIPANTS must maintain timely, true, and accurate financial accounting documents and records, including copies of invoices and receipts, and must make them available for examination and audit by the EXECUTIVE ADMINISTRATOR. Accounting by the GRANTEE must be consistent with Generally Accepted Accounting Principles.

8. The GRANTEE is responsible for submitting a final payment request package no later than the GRANT AGREEMENT EXPIRATION DATE. Payment requests submitted after the GRANT AGREEMENT EXPIRATION DATE will not be considered and funding will no longer be available through TWDB.

9. Final payment request must be received by the GRANT AGREEMENT EXPIRATION DATE when the GRANT AGREEMENT will formally be closed. Once the GRANT AGREEMENT is closed, any remaining funds will lapse and be reallocated. No further payment requests will be considered by TWDB after closure of the GRANT AGREEMENT. Funding will no longer be available to the TWDB after the GRANT AGREEMENT EXPIRATION DATE, and GRANTEE will be required to request funding from the Texas Comptroller of Public Accounts.

10. GRANTEE must provide a final reconciliation of expended amounts under the contract. Within thirty (30) days of the EXECUTIVE ADMINISTRATOR'S final accounting of the amounts expended by GRANTEE and the amounts advanced by the TWDB to GRANTEE, GRANTEE must refund to TWDB and advances not used for expenses approved by the EXECUTIVE ADMINISTRATOR, and any interest earned but not expended on such approved expenses. If the amounts expended by the GRANTEE exceed the amounts advanced by TWDB, the EXECUTIVE ADMINISTATOR will reimburse the difference, provided the reimbursement does not exceed the TWDB SHARE OF TOTAL PROJECT COST

11. GRANTEE is responsible for any food or entertainment expenses incurred by its own organization or that of PARTICIPANTS, outside that of the travel expenses authorized and approved by the State of Texas under this GRANT AGREEMENT.

ARTICLE V. INTELLECTUAL PROPERTY: OWNERSHIP, PUBLICATION, AND ACKNOWLEGEMENT

It is agreed that all works developed by GRANTEE and any PARTICIPANTS using funds provided under this GRANT AGREEMENT or otherwise rendered in or related to the performance in whole or part of this GRANT AGREEMENT, including but not limited to reports, drafts of reports, material, data, drawings, studies, analyses, notes, plans, computer programs and codes, or other work products, whether final or intermediate, are the joint property of TWDB and GRANTEE. GRANTEE hereby conveys co-ownership of such works to TWDB as they are created in whole or part and, if present conveyance is ineffective under applicable law, agrees to convey a co-ownership interest of such works to TWDB after creation and to provide written documentation of such conveyance upon request by TWDB. TWDB and GRANTEE each have full and unrestricted rights to use such works with no compensation obligation.

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GRANTEE must include terms and conditions in all contracts or other engagement agreements with any PARTICIPANTS as are necessary to secure these rights and protections and must require that PARTICIPANTS include similar such terms and conditions in any contracts or other engagements with their PARTICIPANTS.

1. For purposes of this Article, "Grantee Works" are work products developed by GRANTEE and any PARTICIPANTS using funds provided under this GRANT AGREEMENT or otherwise rendered in or related to the performance in whole or part of this GRANT AGREEMENT, including but not limited to reports; drafts of reports; material, data, drawings, studies, analyses, notes, plans, computer programs and codes; or other work products, whether final or intermediate.

   A. It is agreed that all Grantee Works are the joint property of TWDB and GRANTEE.

   B. The parties hereby agree that, if recognized as such by applicable law, the Contractor Works are intended to and will be works-made-for-hire with joint ownership between TWDB and GRANTEE as such works are created in whole or part.

   C. If Grantee Works do not qualify as works-made-for-hire under applicable law, GRANTEE hereby conveys co-ownership of such works to TWDB as they are created in whole or part. If present conveyance is ineffective under applicable law, GRANTEE agrees to convey a co-ownership interest of Grantee Works to TWDB after creation in whole or part of such works, and to provide written documentation of such conveyance upon request by TWDB.

   D. TWDB and GRANTEE each have full and unrestricted rights to use Grantee Works with no compensation obligation

2. TWDB has an unlimited, unrestricted, perpetual, irrevocable, non-exclusive royalty-free right to access and receive in usable form and format, and to use all technical or other data or information developed by GRANTEE and PARTICIPANT(S) in, or otherwise resulting from, the performance of services under this GRANT AGREEMENT.

3. For purposes of this Article, "Participant Works" includes all work product developed in whole or part by or on behalf of PARTICIPANTS engaged by GRANTEE to perform work for or on behalf of any GRANTEE under this GRANT AGREEMENT (or by the PARTICIPANTS' subcontractors hereunder, and so on). GRANTEE must secure in writing from any PARTICIPANTS so engaged:

   A. unlimited, unrestricted, perpetual, irrevocable, royalty-free rights of TWDB (and, if desired, of GRANTEE) to access and receive, and to use any and all technical or other data or information developed in or resulting from the performance of services under such engagement, with No Compensation Obligation; and either

      (1) assignment by the PARTICIPANT to TWDB (and, if desired by them, jointly to GRANTEE) of ownership (or joint ownership with the PARTICIPANT) of all Participant Works, with No Compensation Obligation; or

      (2) grant by PARTICIPANT of a non-exclusive, unrestricted, unlimited, perpetual, irrevocable, world-wide, royalty-free license to TWDB (and, if desired by them, GRANTEE) to use any and all Participant Works, including

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the right to sublicense use to third parties, with No Compensation Obligation.

4. GRANTEE must include terms and conditions in all contracts or other engagement agreements with any PARTICIPANTS as are necessary to secure these rights and protections for TWDB, and must require that PARTICIPANTS include similar such terms and conditions in any contracts or other engagements with their subcontractors. For the purposes of this section, "subcontractors" includes independent contractors (including consultants) and also employees working outside the course and scope of employment.

5. The GRANTEE agrees to acknowledge the TWDB in any news releases or other publications relating to the work performed under this GRANT AGREEMENT.

6. Title to equipment acquired wholly or in part shall be vested with the GRANTEE unless otherwise specified in GRANT AGREEMENT.

ARTICLE VI. AMENDMENT, TERMINATION, AND STOP ORDERS

1. This GRANT AGREEMENT may be altered or amended by mutual written consent or terminated by the EXECUTIVE ADMINISTRATOR at any time by written notice to GRANTEE.

2. Upon receipt of a termination notice, GRANTEE must, unless the notice directs otherwise, immediately discontinue all work in connection with the performance of this GRANT AGREEMENT and cancel all existing orders insofar as such orders are chargeable to this GRANT AGREEMENT. GRANTEE must submit a statement showing in detail the work performed under this GRANT AGREEMENT to the date of termination. TWDB will pay GRANTEE for work actually performed under this GRANT AGREEMENT, less all payments that have been previously made. Thereupon, copies of all work accomplished under this GRANT AGREEMENT must be delivered to TWDB.

3. EXECUTIVE ADMINISTRATOR may issue a Stop Work Order to GRANTEE at any time. Upon receipt of such order, GRANTEE must discontinue all work and cancel all orders pursuant to this GRANT AGREEMENT, unless the order directs otherwise. If EXECUTIVE ADMINISTRATOR does not issue a Restart Order within 60 days after the Stop Work Order, this GRANT AGREEMENT is terminated in accordance with the foregoing provisions.

ARTICLE VII. THIRD-PARTY CONTRACTS

1. Any contract entered by the GRANTEE with a PARTICIPANT to perform work required under this GRANT AGREEMENT must contain the following:

   A. A detailed budget estimate with specific cost details for each task or specific item of work to be performed by the PARTICIPANT for the GRANTEE and for each category or reimbursable expenses; and

   B. A clause stating the following: "The contractor agrees and acknowledges that it is subject to all applicable requirements of the grant agreement between

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[GRANTEE] and the Texas Water Development Board (TWDB Contract Number 2600013282). The contractor adopts by reference the requirements of Article VII of TWDB Contract Number 2600013282 for this contract."

All contracts entered into by the GRANTEE to perform required work under this GRANT AGREEMENT are also subject to the following requirements:

1. The contract is subject to audit by the Texas State Auditor's Office, and the PARTICIPANT must cooperate with any request for information from the Texas State Auditor, as further described in Article IX, Paragraph 1G;
2. Payments under the GRANTEE's contract with the PARTICIPANT are contingent upon appropriation of funds by the Texas Legislature, as further described in Article IX, paragraph 1C;
3. Ownership of data, reports, software, or other work products, in any media, that is gathered, compiled, adapted for use, or generated by the PARTICIPANT or the GRANTEE will become data, reports, software, and work products owned by TWDB, and the PARTICIPANT will have no proprietary rights in such work product, except as further described in Article V; and
4. The PARTICIPANT is an independent contractor and TWDB has no liability resulting from any failure of PARTICIPANT that results in breach of contract, property damage, personal injury or death.

ARTICLE VIII. SEVERABILITY

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

ARTICLE IX. GENERAL TERMS AND CONDITIONS

1. GENERAL TERMS

   A. **Disaster Recovery Plan.** Upon request of TWDB, GRANTEE must provide descriptions or copies of its business continuity and disaster recovery plans.

   B. **Dispute Resolution.** The dispute resolution process provided for in Texas Government Code Chapter 2009 is available to the parties to resolve any dispute arising under the GRANT AGREEMENT.

   C. **Funding Limitation**. GRANTEE understands that all obligations of TWDB under the grant are subject to the availability of grant funds. The grant is subject to termination or cancellation, either in whole or in part, without penalty to TWDB if such funds are not appropriated or become unavailable.

   D. **Governing Law and Venue**. This GRANT AGREEMENT will be governed by the laws of the State of Texas, without regard to the conflicts of law provisions. The

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venue of any suit arising under this GRANT AGREEMENT is fixed in any court of competent jurisdiction in Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to TWDB.

E. **No Waiver of Sovereign Immunity.** The Parties expressly agree that no provision of the grant is in any way intended to constitute a waiver by TWDB or the State of Texas of any immunities from suit or from liability that TWDB or the State of Texas may have by operation of law.

F. **Indemnification**. GRANTEE AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND TWDB, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES, FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY ACTS OR OMISSIONS OF GRANTEE OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE GRANT AGREEMENT AND ANY PURCHASE ORDERS ISSUED UNDER THE GRANT AGREEMENT. THE DEFENSE MUST BE COORDINATED BY GRANTEE WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT, AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. GRANTEE AND TWDB AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

G. **Public Information Act.** Information, documentation, and other material in connection with this GRANT AGREEMENT may be subject to public disclosure pursuant to Texas Government Code Chapter 552 (the "Public Information Act"). In accordance with Texas Government Code § 2252.907, GRANTEE is required to make any information created or exchanged with the state pursuant to the solicitation or grant and not otherwise excepted from disclosure under the Public Information Act available in a format that is accessible to the public at no additional charge to the State.

H. **State Auditor's Right to Audit.** The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the grant or indirectly through a subcontract under the grant. The acceptance of funds directly under the grant or indirectly through a subcontract under the grant acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

I. **Records Retention.** GRANTEE must maintain and retain all records relating to the performance of the grant, including supporting fiscal documents adequate to

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ensure that claims for grant funds are in accordance with applicable State of Texas requirements. These records must be maintained and retained by GRANTEE for a period of four (4) years after the grant expiration date or until all audit, claim, and litigation matters are resolved, whichever is later. TWDB reserves the right to direct GRANTEE to retain documents for a longer period of time or transfer certain records to TWDB custody when it is determined the records possess longer term retention value. GRANTEE must include the substance of this clause in all subawards and subcontracts.

2. STANDARDS OF PERFORMANCE

A. **Personnel.** GRANTEE must assign only qualified personnel to perform the services required under this GRANT AGREEMENT. Qualified personnel are persons who have sufficient knowledge, skill and ability to perform the tasks and services required herein according to the standards of performance and care for their trade or profession. GRANTEE must not assign or subcontract the whole or any part of this GRANT AGREEMENT without the prior written consent of TWDB.

B. **Proprietary and Confidential Information.** GRANTEE understands and agrees that during the performance of the services under this GRANT AGREEMENT, GRANTEE may receive information from TWDB that is confidential and not subject to disclosure under state or federal law. GRANTEE agrees not to release such confidential information to third parties and to use it only for the purpose of performing the work under this GRANT AGREEMENT. TWDB will appropriately mark confidential information provided to GRANTEE and GRANTEE must return such confidential information when it is no longer required to perform the services or at the termination of this GRANT AGREEMENT, whichever is sooner. GRANTEE may mark information provided to TWDB as proprietary or confidential. Such marking must be obviously visible and clearly show what information GRANTEE claims is proprietary and confidential. GRANTEE understands that documents generated in the course of representation of a governmental body may be subject to the Texas Public Information Act, Texas Government Code, Chapter 552.

C. **Procurement Laws.** GRANTEE must comply with applicable State of Texas procurement laws, rules and policies, including but not limited to competitive bidding and the Professional Services Procurement Act, Texas Government Code Chapter 2254, relating to contracting with persons whose services are within the scope of practice of: accountants, architects, landscape architects, land surveyors, medical doctors, optometrists, professional engineers, real estate appraisers, professional nurses, and certified public accountants.

D. **Independent Contractor.** Both parties hereto, in the performance of this GRANT AGREEMENT, act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party will not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever.

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E. **Grant Administration.** TWDB will designate a project manager for this GRANT AGREEMENT. The project manager will serve as the point of contact between TWDB and GRANTEE. TWDB's project manager will supervise TWDB's review of GRANTEE's technical work, deliverables, payment requests, schedules, financial and budget administration, and similar matters. The project manager does not have any express or implied authority to vary the terms of the GRANT AGREEMENT, amend the GRANT AGREEMENT in any way or waive strict performance of the terms or conditions of the GRANT AGREEMENT.

F. **Contracting Information Responsibilities.** In accordance with Texas Government Code § 552.372, GRANTEE agrees to (1) preserve all contracting information related to the grant as provided by the records retention requirements applicable to TWDB for the duration of the GRANT AGREEMENT, (2) promptly provide to TWDB any contracting information related to the GRANT AGREEMENT that is in the custody or possession of GRANTEE on request; and (3) on termination or expiration of the grant, either provide at no cost to TWDB all contracting information related to the grant that is in the custody or possession of GRANTEE or preserve the contracting information related to the GRANT AGREEMENT as provided by the records retention requirements applicable to TWDB. Except as provided by Texas Government Code § 552.374(c), the requirements of Texas Government Code Chapter 552 Subchapter J may apply to the GRANT AGREEMENT, and GRANTEE agrees that the GRANT AGREEMENT can be terminated if GRANTEE knowingly or intentionally fails to comply with a requirement of that subchapter.

G. **Nepotism.** GRANTEE must comply with Texas Government Code Chapter 573 by ensuring that no officer, employee or member of GRANTEE's governing body votes or confirms 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 does not prohibit the employment of a person who has been continuously employed for a period of two years prior to the election or appointment of the officer, employee or governing body member related to such person in the prohibited degree.

3. AFFIRMATIONS AND CERTIFICATIONS

A. **Child Support Obligation.** GRANTEE represents and warrants that it will include the following clause in the award documents for every subaward and subcontract and will require subrecipients and contractors to certify accordingly: "Under Texas Family Code § 231.006, the contractor or applicant certifies that the individual or business entity named in this contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application."

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(NOTE: GRANTEE may provide a secure method for potential grantees to submit full Social Security numbers for verification and require only the last four digits of applicable Social Security numbers with a bid or application).

B. **Cybersecurity Training Program**. GRANTEE represents and warrants its compliance with Section 2054.5191 of the Texas Government Code relating to the cybersecurity training program for local government employees who have access to a local government computer system or database.

C. **Debarment and Suspension**. Respondent certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management maintained by the General Services Administration.

D. **Grant Oversight.** GRANTEE represents and warrants that it will maintain oversight to ensure that GRANTEE and PARTICIPANT(S) perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

E. **Debts and Delinquencies.** GRANTEE agrees that any payments due under the GRANT AGREEMENT will be applied towards any debt or delinquency that is owed to the State of Texas, including but not limited to delinquent taxes, delinquent student loan payments and delinquent child support.

F. **Disclosure Protections for Certain Charitable Organizations, Charitable Trusts and Private Foundations.** GRANTEE represents and warrants that it will comply with Texas Government Code § 2252.906, relating to disclosure protections for certain charitable organizations, charitable trusts, and private foundations.

G. **Enforcement of Certain Federal Laws Regulating Firearms, Firearm Accessories, and Firearm Ammunition**. GRANTEE certifies that it is not prohibited from receiving state funds under Texas Penal Code § 1.10(d) (related to federal laws regulation firearms, firearm accessories, and firearm ammunition). GRANTEE also agrees that, during the term of this GRANT AGREEMENT, GRANTEE will immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f).

H. **Excluded Parties.** GRANTEE certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control.

I. **Executive Head of a State Agency.** In accordance with Texas Government Code § 669.003, relating to contracting with the executive head of a state agency, GRANTEE certifies that it is not (1) the executive head of TWDB, (2) a person who at any time during the four years before the date of the GRANT

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AGREEMENT was the executive head of TWDB or (3) a person who employs a current or former executive head of TWDB.

J. **Legal Authority.** GRANTEE represents that it possesses legal authority to apply for the grant. A resolution, motion or similar action has been duly adopted or passed as an official act of GRANTEE's governing body, authorizing the filing of the application or response, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative, or the designee of GRANTEE to act in connection with the application or response and to provide such additional information as may be required.

K. **Lobbying Expenditure Restriction.** GRANTEE represents and warrants that TWDB's payments to GRANTEE and GRANTEE's receipt of appropriated or other funds under the grant are not prohibited by Texas Government Code §§ 403.1067 or 556.0055, which restrict lobbying expenditures.

L. **No Conflicts of Interest.** GRANTEE represents and warrants that performance under the grant will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety. Further, GRANTEE represents and warrants that in the administration of the grant, it will comply with all conflict of interest prohibitions and disclosure requirements required by applicable law, rules, and policies, including Texas Local Government Code Chapter 176. If circumstances change during the course of the grant, GRANTEE agrees to promptly notify TWDB.

M. **Open Meetings.** If GRANTEE is a governmental entity, GRANTEE represents and warrants its compliance with Texas Government Code Chapter 551, which requires all regular, special, or called meetings of a governmental body to be open to the public, except as otherwise provided by law.

N. **Political Polling Prohibition.** GRANTEE represents and warrants that it does not perform political polling and acknowledges that appropriated funds may not be granted to any entity that performs political polling.

O. **Public Camping Ban**. GRANTEE certifies that it has not received a final judicial determination finding it intentionally adopted or enforced a policy that prohibited or discouraged the enforcement of a public camping ban in an action brought by the Attorney General under Local Government Code §364.003. If GRANTEE is sued under this section, it must disclose the lawsuit to the TWDB.

P. **Reporting Compliance.** GRANTEE represents and warrants that it will submit timely, complete, and accurate reports in accordance with the grant and maintain appropriate backup documentation to support the reports.

Q. **Reporting Suspected Fraud and Unlawful Conduct**. GRANTEE represents and warrants that it will comply with Section 321.022 of the Texas Government Code that requires suspected fraud and unlawful conduct be reported to the State Auditor's Office.

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R. **PARTICIPANT Monitoring.** GRANTEE represents and warrant that it will monitor the activities of any PARTICIPANT as necessary to ensure that subawards are used for authorized purposes, in compliance with applicable statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

S. **Suspension and Debarment.** GRANTEE certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

T. **Limitations on Grants to Units of Local Government.** GRANTEE acknowledges and agrees that appropriated funds may not be expended in the form of a grant to, or contract with, a unit of local government unless the terms of the grant require that the funds received under the grant will be expended subject to the limitations and reporting requirements similar to those provided by the following:

- Texas General Appropriations Act, Art. IX, Parts 2 and 3 related to position classification and salary administration, except there is no requirement for increased salaries for local government employees;
- Texas Government Code §§ 556.004-556.006 related to political activities; and
- Texas Government Code §§ 2113.012 and 2113.101 related to the use or purchase of alcoholic beverages.

U. **Former Agency Employees.** GRANTEE represents and warrants that none of its employees, including but not limited to those authorized to provide services under the GRANT AGREEMENT, were former employees of TWDB during the twelve (12) month period immediately prior to the date of execution of this GRANT AGREEMENT.

ARTICLE X. Insurance, Licenses, and Permits

1. The GRANTEE and any PARTICIPANT must obtain all necessary insurance that, in the judgement of the GRANTEE and PARTICIPANT and consistent with the standard practices in the industry or entity, is necessary to protect themselves, the TWDB, and employees and officials of the TWDB from liability arising out of this GRANT AGREEMENT, including but not limited to worker's compensation, property damage, personal injury, death, and breach of the GRANT AGREEMENT.

2. The GRANTEE is solely and entirely responsibly for procuring all appropriate licenses and permits, which may be required by any competent authority for the GRANTEE to perform the subject work.

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ARTICLE XI. CORRESPONDENCE

All correspondence between the parties must be made to the following:

For **TWDB**:

Grant Agreement Issues:
Texas Water Development Board
Attention: Contract Administration
P.O. Box 13231
Austin, Texas 78711-3231
Email: contracts@twdb.texas.gov

Payment Request Submission:
Texas Water Development Board
Attention: Accounts Payable
P.O. Box 13231
Austin, Texas 78711-3231
Email: invoice@twdb.texas.gov

Physical Address:
Stephen F. Austin State Office Building
1700 N. Congress Avenue
Austin, Texas 78701

For **GRANTEE:**

Grant Agreement Issues:
Tim Andruss, General Manager
Victoria County Groundwater Conservation District
P.O. Box 69
Victoria, TX 77902
tim.andruss@vcgcd.org

Payment Request Submission:
Tim Andruss, General Manager
Victoria County Groundwater Conservation District
P.O. Box 69
Victoria, TX 77902
tim.andruss@vcgcd.org

Physical Address:
Victoria County Groundwater Conservation District
1501 E. Mockingbird Lane, Ste 103
Victoria, Texas 77902

IN WITNESS WHEREOF, the parties have caused this GRANT AGREEMENT to be duly executed.

TEXAS WATER DEVELOPMENT BOARD

Bryan McMath
Executive Administrator

VICTORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

Mark Meek
President of the Board