INTERLOCAL AGREEMENT
FOR ADMINISTRATION OF CRF FUNDING UNDER THE CARES ACT

This Agreement is entered into by the following Parties: the City of Pflugerville, a Home Rule municipality located wholly or partly located in Travis County, Texas ("City"), and the Pflugerville Independent School District, a political subdivision and independent school district located in Travis County, Texas ("PfISD" or "District").

RECITALS

This Agreement is for services, as identified in Section 5 (Scope of Services) under authority of Texas Government Code, Chapter 791. City has the authority under Chapter 791 to contract with other local governments for government functions and services. City is a "local government" as defined by Texas Government Code § 791.003(4)(A). The District is also a "local government" as defined by Texas Government Code § 791.003(4)(A).

Travis County, Texas ("County") is in receipt of funds from the United States Department of the Treasury under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") from the Coronavirus Relief Fund ("CRF").

County has contracted with City for the administration of the distribution of a portion of Travis County's CARES Act funds by providing funds to City for certain activities authorized in the Treasury CRF Guidance. City has affirmed that it can provide the services and related activities for the appropriate reimbursement for distribution of CRF Funding. City desires to enter into an agreement with the District to support distance learning in connection with school closings to enable compliance with COVID-19 precautions and to support telework capabilities for school district employees in support of distance learning through distribution of a portion of CARES Act funds to City for such activities, which is authorized in the Treasury CRF Guidance.

On March 6, 2020, the Travis County Judge declared a local state of disaster for a public health emergency in relation to COVID-19.

On March 13, 2020, the Governor of the State of Texas declared a state of disaster and the President of the United States declared a national emergency in relation to COVID-19. The Governor of Texas, on March 13, 2020, invoked Texas Government Code § 418.017 in his state-wide disaster declaration to "authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster."

Some local governments and residents have experienced extraordinary economic strain due to state and local regulations related to the COVID-19 pandemic. City finds that the expenditure of public funds in support of the operations of the District, especially in this time of a pandemic crisis, accomplishes a valid public purpose of protecting the Travis County economy and the economic welfare of the residents of Travis County.

The Parties desire to enter into this Agreement for these purposes.

AGREEMENT

PART 1- TRANSACTIONAL REQUIREMENTS

1. TERM:

Although expenditures made on and after March 1, 2020 are reimbursable under this Agreement, the term begins on the day this Agreement is last executed by the Parties and continues until March 31, 2021 or until all services have been rendered, the CRF Funding under this Agreement is distributed and all audits and reviews of the expenditures of CRF Funding are completed by the federal government, unless terminated earlier under any provision of it.

2. DEFINITIONS:

2.1 "CARES Act" means the federal Coronavirus Aid, Relief, and Economic Security Act.

2.2 "CRF Funding" means funds up to the Not to Exceed Amount under this Agreement provided to District by City through County from the funding County has received from the United States Department of the Treasury from the Coronavirus Relief Fund created pursuant to the CARES Act.

2.3 "Eligible COVID-19 Expenditures" means necessary expenditures incurred due to the public health emergency caused by the coronavirus pandemic that meet the criteria in this Agreement, in the Treasury CRF Guidance, in the CARES ACT, Direct Costs Program, and in the Social Security Act, section 601(d) which requires that the expenditures:

2.3.1 Are necessary expenditures incurred due to the public health emergency with the coronavirus Disease 2019 (COVID-19),

2.3.2 Were not accounted for in the District budget as of March 27, 2020, the date the CARES Act was enacted, and.

2.3.3 Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

2.4 "Expense Documentation" means complete, accurate itemized invoices, receipts for services, goods, or benefits, and management fees, and other appropriate supporting documentation, including but not limited to an image of District bank records showing payment by District for the Proposed District Program.

2.5 "Proposed District Program" means the project to support distance learning in Pflugerville Independent School District in connection with school closings to enable

compliance with COVID-19 precautions and to support telework capabilities for school district employees in support of distance learning, which may include but is not limited to the District's purchase of 1,800 Dell Latitude 5410 laptops each with a wireless optical mouse to support District's teachers for telework/distance learning to facilitate remote student learning during the COVID-19 pandemic.

2.6 "Public Information Act" means Texas Government Code, Chapter 552.

2.7 "Records" means any invoices, receipts, and other appropriate supporting documentation, papers, reports, records, books, data, and other documents that are reasonably pertinent to the fulfillment of the requirements of this Agreement.

2.8 "Treasury CRF Guidance" means the *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* from the United States Department of the Treasury, April 22, 2020, and any updated version of this guidance ; *Coronavirus Relief Fund Frequently Asked Questions Updated as of May 28, 2020*, and any updated version of this guidance; and any additional guidance or regulations about the use of CRF funding provided by the United States Department of the Treasury before December 31, 2020.

2.9 "Working Day" means Monday through Friday except for days that County has designated as holidays and listed at http://www.traviscountytx.gov\human-resources\holiday-schedule or that District has designated as holidays and listed at https://www.pfisd.net/domain/245.

3. INCORPORATED DOCUMENTS:

3.1 The following documents are incorporated by reference as if fully reproduced in this Agreement:

3.1.1 **Exhibit A**- *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* from the United States Department of the Treasury, April 22, 2020; and *Coronavirus Relief Fund Frequently Asked Questions Updated as of May 28, 2020*; all provided by the United States Department of the Treasury, as automatically amended by 3.2 when updated.

3.1.2 **Exhibit B**- COVID-19 Response Recovery Uses of Coronavirus Relief Fund, as updated on the Planning and Budget web page for compliance with the most recent advice from the United States Department of the Treasury.

3.1.3 **Exhibit C**- Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion For Covered Contractor.

3.1.4 **Exhibit D**- Federal Anti-Lobbying Certification.

3.2 If the United States Congress, the United States Department of the Treasury, the executive branch of the federal government, the federal judiciary, or any other federal agency with jurisdiction issues any further guidance or regulations on the appropriate use of the CRF funds, that further guidance shall be automatically incorporated into this Agreement as if included in this description of **Exhibit A** without the need for a formal amendment.

4. ORDER OF PRECEDENCE:

If there is any conflict or inconsistency between the provisions of this Agreement or any incorporated or referenced document, that conflict or inconsistency shall be resolved in the following order of precedence:

4.1 This Agreement and any subsequent amendments;

4.2 Exhibit A.

4.3 Exhibit B.

5. REPRESENTATIONS AND WARRANTIES OF DISTRICT:

5.1 The District represents and warrants that the District will use all of the CRF Funding being transferred to it for necessary expenditures incurred due to the public health emergency caused by the coronavirus pandemic and that these expenditures will meet the following criteria of section 601(d) of the Social Security Act:

5.1.1 Are necessary expenditures incurred due to the public health emergency with the coronavirus Disease 2019 (COVID-19),

5.1.2 Were not accounted for in the District budget as of March 27, 2020, the date the CARES Act was enacted, and

5.1.3 Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

5.2 The District represents and warrants that District does not intend to and will not use the CRF Funding being transferred to it to fill shortfalls in the District's revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

5.3 The District represents and warrants that the District will pay any CRF Funding that are not used or that the United States Department of the Treasury determines has not been spent in compliance with this Agreement and the criteria of section 601(d) of the Social Security Act.

6. DISTRICT'S SCOPE OF SERVICES AND OBLIGATIONS:

6.1 Nature of Funding.

6.1.1 The District acknowledges and recognizes that the source of the CRF Funding is the City through Travis County's CARES Act allocation for public programs or initiatives eligible under the CARES Act.

6.1.2 The District receives the CRF Funding from County and/or City as a sub-recipient. As a sub-recipient of CARES Act funding the District acknowledges that its use of the funds is subject to the same terms and conditions as City's and County's use of these such funds and the terms and conditions of this Agreement. The District agrees to strictly comply with all terms and conditions of the CARES Act funding, and to pay City for any repayments, penalties, or interest incurred as a result of District's failure to comply with all terms and conditions of the CARES Act funding. Funds spent in non-compliance with the CARES Act are subject to recapture for return to the Direct Costs Program ,for return to the United States Department of the Treasury, and return to the City/County unless the funds are used for other eligible expenses upon approval from the City, County, and United States Department of the Treasury.

6.2 Transfer of CRF Funding.

6.2.1 Separate Account. District shall create a separate, segregated account solely for holding and disbursing the CRF Funding.

6.2.2 Interest Used as Principle. If CRF Funding is deposited into an interest-bearing account or invested, the District must treat all interest earned and all proceeds of investment as if it were CRF Funding received from City and/or Travis County and use it exclusively for Eligible COVID-19 Expenditures paid and incurred on or after March 1, 2020, and on or before October 31, 2020. CRF Funding is not subject to the Cash Management Improvement Act of 1990, as amended.

6.2.3 Taxpayer Identification. Before any CRF Funding is are payable, the District shall provide the City and/or Travis County Auditor with an Internal Revenue W-9 Request for Taxpayer Identification Number and Certification that is completed in compliance with the Internal Revenue Code, its rules and regulations.

6.2.4 Payment by Check. Upon submission of Expense Documentation related to the Proposed District Program and approval by City, City will issue a check to District reimbursing Eligible COVID-19 Expenditures up to the amount set out in Section 7.2, below. City agrees to issue a check payable to Pflugerville Independent School District, which will be mailed to: Dr. Douglas Killian, Pflugerville ISD Superintendent, 1401 W. Pecan Street, Pflugerville, Texas 78660. To the extent funds are available, and provided City has received all necessary Expense Documentation, City agrees to issue the check no later than October 30.

6.2.5 District must send requests for reimbursement with all necessary Expense Documentation to:

James Hartshorn
Assistant City Manager, City of Pflugerville
100 East Main Street, Suite 300
Pflugerville, TX 78660

6.3 Request for CRF Funding.

6.3.1 District will submit all required documentation to show expenses and payment for the Proposed District Program.

6.4 Use of CRF Funding.

6.4.1 The District shall use all CRF Funding exclusively for Eligible COVID-19 Expenditures paid and incurred on or after March 1, 2020, and on or before October 31, 2020 in compliance with this Agreement.

6.4.2 City may use its CRF Funding to reimburse itself for Eligible COVID-19 Expenditures paid and incurred on or after March 1, 2020, and on or before October 31, 2020.

6.5 District's Obligations relating to its Use of the CRF Funding.

6.5.1 District shall coordinate with the City and/or County any public programs or initiatives so that no duplication of services, initiatives, or programs occurs.

6.5.2 District shall reimburse and return to the CRF Funding account within thirty days of notice by City any portion of the CRF Funding that the County or the U.S. Department of the Treasury, or their designees deem was not used for Eligible COVID-19 Expenditures, or not used pursuant to the terms of this Agreement. If District's CRF Funding account is already closed out, District shall reimburse and return any portion of the CRF Funding that the U.S. Department of the Treasury, or their designees deem was not used for Eligible COVID-19 Expenditures, or not used pursuant to the terms of this Agreement within thirty (30) days of notice by City.

6.5.3 District shall document and justify that each expenditure from its CRF Funding was an Eligible COVID-19 Expenditure in compliance with sections 8 and 13. District shall keep Records sufficient to demonstrate that the CRF Funding has been used in accordance with the Social Security Act, section 601(d) and the Treasury CRF Guidance. District shall keep the Expense Documentation for a minimum of seven (7) years after the close of the federal **Direct Costs Program** under the CARES Act.

6.5.4 District shall allow inspection of all Expense Documentation and Records related to its expenditure of its CRF Funding under this Agreement and the United States Department of the Treasury upon reasonable request in compliance with sections 8 and 13.

6.7 Attorney's Fees and Costs. District shall pay City's reasonable and necessary attorney's fees and costs if City is required to undertake litigation against District to enforce the terms of this Agreement to the extent allowed by law and the City prevails in litigation.

6.8 Subsequent Direct Federal Funding for City. If the United States Congress enacts additional statutes that provide funding to District for responses to the COVID-19 disaster, there is a risk that District's use of that funding may change the eligibility of claims previously reimbursed by City through County. District shall ensure that its use of that new federal funding does not result in a change in the determination of whether the expenditures reimbursed to District by City through County are compliant with the CARES Act and the Treasury CRF Guidance. If they are no longer compliant, the District must pay back the reimbursement so City/County, as applicable, can either use the funding for another compliant use or pay that portion of the CRF funds back to the United States Department of the Treasury.

7. SUPERVISION OF CARES ACT FUNDS:

7.1 Supervision. The District understands and recognizes that the Travis County Auditor in consultation with County's consultant for maximizing the efficiency and effectiveness of County's response shall maintain supervisory control of the ultimate reimbursement from CRF Funding for funds City has disbursed under any pre-approved Proposed City Program, including the Proposed District Program. City agrees that it is City's responsibility to submit requests for reimbursement to County under City's interlocal agreement with County for use of CARES Act funds under this Agreement and that District has no liability or control over City's submission to County except to the extent the submission depend on the District's submission of records to City.

7.2 Requirements for Reimbursement. City shall reimburse the District, to the extent funds are available, in an aggregate amount up to District's Not to Exceed Amount which is **Eight Hundred Thousand Dollars and No Cents ($800,000.00)** for the Proposed District Program if the District:

7.2.1 Before October 31, 2020, requests reimbursement for the specific Proposed District Program approved by the City;

7.2.2 District provides supporting documentation to show expenses incurred for the Proposed District Program.

7.2.3 District complies with the reporting requirements in this Agreement on a timely basis;

7.2.4 District certifies that none of the amounts submitted for reimbursement were:

7.2.4.1 Included in District's budget approved before March 27, 2020 or

7.2.4.2 Used directly or indirectly (such as assistance with payment of ad valorem taxes) to replace District's revenue lost as a result of the COVID-19 disaster.

7.2.4.3 District received funding or was reimbursed for the expended amounts from another federal or state grant or other source other than general District revenues.

8. REPORTING REQUIREMENTS AND ACCOUNTABILITY:

8.1 Required Documentation. District must submit complete, accurate Expense Documentation as required by the City and the Travis County Auditor, following the completion of the services or activity and disbursement of the funds related to them. Specifically, District shall itemize the Expense Documentation. Within the Expense Documentation, District must include invoices from subcontractors and suppliers, if any.

8.2 Timing of Submission. District understands and acknowledges that all Expense Documentation from City must be submitted to County before October 31, 2020. District will exercise due diligence to timely submit requests for reimbursement and all documentation requested to support the reimbursement to City in a timely manner.

8.3 Maintenance and Retention of Records. District shall keep and maintain its Records that are reasonably pertinent to the fulfillment of the requirements of this Agreement in standard accounting form. District shall make these Records available in City and Travis County for inspection by City or County or authorized and federal personnel upon request. District must keep and maintain these Records for at least seven (7) years after termination or expiration of this Agreement. If any litigation, claim, or audit involving these Records begins before that specified time period expires, District must keep these Records after the seven (7) years and until all litigation, claims, or audit findings are resolved. **District is strictly prohibited from destroying or discarding any Records reasonably pertinent to the fulfillment of the requirements of this Agreement, unless the time period for maintaining them under this subsection 8.3 has lapsed. Destruction is deemed non-compliance.**

8.4 Federal Accounting Requirements. District acknowledges that CRF Funding payments are considered to be "other financial assistance" under 2 C.F.R. § 200.40 and City is subject to the following federal accounting requirements under CFDA #21.019:

8.4.1 a single audit pursuant to the Single Audit Act (31 U.S.C. §§ 7501-7507) or a program specific audit pursuant to 2 C.F.R. § 200.501(a), , if District as a subrecipient has spent $750,000 or more in federal awards during its fiscal year, and

8.4.2 the following requirements in the Uniform Guidance (2 C.F.R. Part 200):

8.4.2.1 2 C.F.R. § 200.303 regarding internal controls,

8.4.2.2 §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and

8.4.2.3 subpart F regarding audit requirements.

8.5 Access to Records and Audit. District grants City and County, any of its duly authorized representatives, and any authorized representative of the Federal Government the right to timely and unrestricted access to any District Records that are pertinent to the fulfillment of the requirements of this Agreement, to perform audits, examinations, excerpts, transcripts, and to substantiate the provision of services under this Agreement. District shall furnish all Records to authorized City and/or County and federal personnel in Travis County, Texas, at reasonable times and within reasonable periods. This right also includes the right to timely and reasonable access to District's personnel for the purpose of reviewing, interviewing, evaluating, monitoring and making copies of Records related to these audits and examinations. The Travis County Auditor, her delegates or assigns, and those of any other governmental entity approved by County have the unrestricted right to audit all Records that are reasonably pertinent to the fulfillment of the requirements of this Agreement.

8.6 Requirement to Address Audit Findings.

8.6.1 If any audit, monitoring, investigations, review of awards, or other compliance review reveals any discrepancies, inadequacies, or deficiencies which are necessary to correct in order to maintain compliance with this Interlocal Agreement, applicable laws, regulations, or the District's obligations hereunder, District agrees to propose and submit to City a corrective action plan to correct such discrepancies or inadequacies within thirty (30) calendar days after the District's receipt of the findings. District's corrective action plan is subject to the approval of City.

8.6.2. District understands and agrees that District must make every effort to address and resolve all outstanding issues, findings, or actions identified by the Travis County Auditor or County or City through the corrective action plan or any other corrective plan. Failure to promptly and adequately address these findings may result in CRF Funding being withheld, other related requirements being imposed, or other sanctions and penalties. District agrees to complete any corrective action approved by County

within the time period specified by City and/or County and to the satisfaction of City and/or County, at the sole cost of District. District shall provide to City and/or County periodic status reports regarding District's resolution of any audit, corrective action plan, or other compliance activity for which District is responsible.

8.7 Ownership. All information, data, and supporting documentation that are pertinent to the fulfillment of the requirements of this Agreement remain the property of District.

9. CONFIDENTIALITY:

9.1 District shall not disclose privileged or confidential communications or information acquired during performance under this Agreement, unless authorized by law. District shall adhere to all applicable confidentiality requirements, as required by law, for performance under this Agreement.

9.2 Public Information Act. The Parties acknowledge that City and District are subject to the Texas Public Information Act. Despite any other provision, the Parties agree that if any provision of this Agreement, or other documents related to this Agreement, including any exhibit, attachment, amendment, addendum, or other incorporated document, is in conflict with the Public Information Act, that provision shall not have any force or effect. The Parties expressly acknowledge and agree that the City, City Council members, County, Travis County Commissioners Court, the County Judge, any Elected County Officials, County Department Heads or County Employees may request advice, decisions and opinions of the Attorney General of Texas about the application of the Public Information Act to any item, data or information, or any software, hardware, firmware, or any part of them, or any other equipment or thing or item furnished to or in the possession or knowledge of County. The Parties further acknowledge and agree that above requestors have the right and obligation by law to rely on the advice, decisions and opinions of the Attorney General of Texas.

9.3 The Party that receives a Public Information Act request for documents related to this Agreement or any program undertaken pursuant to this Agreement shall handle that request.

10. ALLOCATION OF RISK:

THE PARTIES AGREE TO BE RESPONSIBLE EACH FOR THEIR OWN NEGLIGENT ACTS OR OMISSIONS, OR OTHER TORTIOUS CONDUCT IN THE COURSE OF PERFORMANCE OF THIS AGREEMENT. THE PARTIES AGREE THAT ANY LIABILITY OR DAMAGES OCCURRING DURING THE PERFORMANCE OF THIS AGREEMENT CAUSED BY THE JOINT OR COMPARATIVE NEGLIGENCE OF THE PARTIES, OR THEIR EMPLOYEES, AGENTS OR OFFICERS, SHALL BE DETERMINED IN ACCORDANCE WITH COMPARATIVE RESPONSIBILITY LAWS OF TEXAS. THIS PARAGRAPH SHALL NOT BE INTERPRETED TO CREATE OR GRANT ANY RIGHTS, OR WAIVE ANY IMMUNITY, CONTRACTUAL OR OTHERWISE, IN OR TO ANY PERSONS OR ENTITIES NOT A PARTY TO THIS AGREEMENT.

11. INSURANCE:

At all times during this Agreement, City and District shall maintain insurance coverage commensurate with that Party's obligations under this Agreement in full force or, to the extent permitted by applicable laws, maintain self-funded insurance reserves commensurate with that Party's obligations under this Agreement and in accordance with sound risk management practices. City and District are responsible for the respective costs of this insurance, including any deductible amounts in any policy and any denials of coverage made by their own respective insurers.

12. EXPENSES AND TAX

12.1 Unless prior written approval by City is obtained or otherwise detailed in this Agreement, District shall be responsible for all mileage and other miscellaneous expenses related to the fulfillment of the requirements of this Agreement. Mileage and other miscellaneous expenses shall not be reimbursable or included in the Not to Exceed Amount.

12.2 City, as a political subdivision of Texas, is exempted from the payment of Texas state and local sales, excise, and use taxes pursuant to Tex. Loc. Gov't Code § 151.309, and, therefore, shall not be liable to the District for the payment of these taxes under this Agreement. City shall not reimburse District for any sales, use, personal property or other taxes attributable to periods on or after the effective date of this Agreement or based upon District's cost in its performance or acquiring products or services or materials or supplies furnished or used by District under this Agreement.

13. GENERAL FISCAL TERMS AND CONDITIONS:

13.1 Not to Exceed Amount. District understands and agrees that the maximum total amount reimbursable for the services and funds distributed through approved Proposed District Program under this Agreement shall not exceed the **Not to Exceed Amount as determined by Section 7.2, unless** a written amendment is approved by the City and is executed by the Parties. City shall not pay for any services nor distribute any funds that would cause the amounts paid under this Agreement to exceed the Not to Exceed Amount.

13.2 Transparency to Avoid Duplication of Funding. District understands and agrees that it is necessary for District to be completely transparent with City about its funding submissions for and use of other types of grant funding to avoid duplication of reimbursements of expenditures eligible from more than one grant source. Upon request, District shall provide City the names of the alternate sources of funding and copies of all expenditures that it submits or plans to submit for funding from other sources, including other federal grants, insurance coverage and philanthropic gifts or grants.

13.3 Monitoring. The Travis County Auditor is responsible for monitoring reporting compliance and fiscal compliance with the Not to Exceed Amount and shall resolve any dispute between the Parties related to County's reimbursements to City under this Agreement.

13.4 Refund provision. City has the right to demand repayment of any funds paid to District that did not comply with the terms of this Agreement or that were determined by the County or the federal government to be ineligible expenditures. Upon notice by City, District shall promptly pay back any monies previously paid by City that were not in compliance with this Agreement.

13.5 Prior Debts. City shall not be liable for costs incurred or performances rendered by District before March 1, 2020 or after October 31, 2020; for expenditure that District has not submitted a request for reimbursement to City within the applicable time frame stated in this Agreement; or for any reimbursement for services or activities not provided in compliance with this Agreement

13.6 Prevention of Fraud and Abuse. District shall establish, maintain and use internal management procedures sufficient to provide for the proper, effective management of all activities funded under this Agreement. District shall report any known or suspected incident of fraud or program abuse involving District/s employees or agents immediately to the City in writing. City and District agree that every person who, as part of their employment, receives, disburses, handles or has access to funds reimbursed pursuant to this Agreement does not participate in accounting or operating functions that would permit them to conceal accounting records and the misuse of said funds.

13.7 Prompt Payment Act. District agrees that a temporary delay in making payments due to the City's accounting and disbursement procedures shall not place the City in default of this Agreement and shall not render the City liable for interest or penalties, provided the delay does not exceed thirty (30) days after its due date. Any payment not made within thirty (30) days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.

13.8 Federal Funded Agreement. This Agreement is funded by the federal government; therefore, unless otherwise stated in this Agreement and without additional reimbursement by City, District shall comply timely with any state or federal statute, rule, regulation, grant, contract provision, subsequent federal guidance or other similar restriction that imposes additional or greater requirements than stated in this Agreement that is directly applicable to the performance under this Agreement.

13.9 Fiscal Funding Clause. Despite any provision in this Agreement, the obligations of City under it are expressly contingent upon the availability of funding for each obligation in it for the duration of the Agreement. District has no right of action against City if City is unable to fulfill its obligations under this Agreement as a result of lack of funding for obligation from any

source used to fund this Agreement or failure to budget funding for this Agreement during the current or future fiscal years. If City is unable to fulfill its obligations under this Agreement due to a lack of sufficient funding, or if funds become unavailable, City, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to District at the earliest possible time.

14. AMENDMENTS AND CHANGES IN THE LAW:

14.1 A modification, amendment, novation, renewal or other alteration of this Agreement shall not be effective unless mutually agreed upon in writing, approved by City and executed by the Parties.

14.2 Any alteration, addition or deletion to this Agreement which is required by changes in federal law, federal guidance, or state law are automatically incorporated into this Agreement without written amendment to it and are effective on the date designated by that law or guidance**.**

15. ASSIGNMENT:

District may not assign its rights and duties under this Agreement. Any assignment attempted shall be null and void.

16. SUBCONTRACTING:

The costs of any subcontracted services related to District's performance of this Agreement are included in the Not to Exceed Amount in this Agreement. If District enters into subcontracts related to its performance of this Agreement, the subcontracts must be in writing and subject to all requirements in this Agreement. District acknowledges that it is solely responsible to City for the performance of this Agreement. District shall pay all subcontractors in a timely manner.

17. REMEDIES AND WAIVER OF BREACH:

17.1 City and District both have a duty to mitigate damages.

17.2 The rights and remedies in this Agreement are cumulative, and either Party's use of any right or remedy does not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the Parties may have by law or statute or in equity, including injunctive relief. Pursuit of any remedy is not a forfeiture or waiver of any obligation of a defaulting Party under this Agreement or of any damages accruing by reason of the default.

17.3 Any waiver of any breach or any provision of this Agreement must be in writing.

17.4 It is not a waiver of default if the non-defaulting Party does not declare a default immediately or delays in taking any action. The waiver of any provision or any breach of this Agreement shall not be deemed or interpreted to be a waiver of any other provision or any other breach of this Agreement.

18. REMEDIES FOR NON-COMPLIANCE AND TERMINATION:

18.1 If City determines that District materially fails to comply with any term of this Interlocal Agreement, whether stated in a federal or state statute or regulation, an assurance, certification, or any other applicable requirement, City, in its sole discretion may take actions including:

18.1 Temporarily withholding cash payments pending correction of the deficiency;
18.2 Disallowing or denying use of funds for all or part of the cost of the activity or action not in compliance;
18.3 Disallowing claims for reimbursement;
18.4 Wholly or partially suspending or terminating this Interlocal Agreement;
18.5 Requiring return or offset of previous reimbursements;
18.6 Prohibiting the District from applying for or receiving additional funds for other grant programs administered by City until repayment to City is made and any other compliance or audit finding is satisfactorily resolved;
18.7 Reducing the grant award maximum liability of City;
18.8 Terminating this Interlocal Agreement;
18.9 Imposing a corrective action plan;
18.10. Withholding further awards; or
18.11 Taking other remedies or appropriate actions.

District costs resulting from obligations incurred during a suspension or after termination of this Interlocal Agreement are not allowable unless City expressly authorizes them in the notice of suspension or termination or subsequently. City, at its sole discretion, may impose sanctions without first requiring a corrective action plan.

18.2 Suspension. If City desires to suspend the reimbursements or services under this Agreement, but not terminate it, City may issue a written order to stop work. The written order shall set out the terms of the suspension. District shall stop all work pursuant to this Agreement and will cease to incur costs or disburse funds during the suspension. District may resume services and disbursements when notified by City in a written authorization that the suspension is lifted. If a change in the terms and conditions of reimbursement under this Agreement is necessary because of a suspension, the Parties will approve and execute a mutually agreed amendment.

18.3 Termination. At its option and without prejudice to any other remedy to which it may be entitled to at law or in equity, or elsewhere in this Agreement, City may terminate this Agreement, in whole or part, with or without cause, by giving thirty (30) days prior written

notice to District and District shall cease all performances and disbursement of CRF funding under this Agreement to the extent specified in the notice of termination and on the date specified in the notice or on the date of termination. Upon receipt of the notice, District shall not incur any new obligations or perform any additional services and shall cancel any outstanding obligations related to services or benefits to be provided. City's termination of this Agreement shall not subject City to liability for any reason.

18.3.1 Without Cause: Each Party may terminate this Agreement, in whole or in part, without cause, upon thirty (30) days prior written notice to the other Party.

18.3.2 With Cause: City has the right to terminate this Agreement immediately, in whole or in part, at its sole discretion, by giving written notice to District and District shall cease all performances and disbursements of CRF funding under this Agreement on the date specified in the notice for the following reasons:

18.3.2.1 Non-performance by District or District's failure or inability to perform or substantially perform under this Agreement within the time specified, for whatever reason, including due to judicial order, injunction or any other court proceeding;

18.3.2.2 District's improper use, misuse, or inept use of CRF Funding under this Agreement;

18.3.2.3 District's submission of Expense Documentation and/or reports that are incorrect, incomplete, or false in any way; or

18.3.2.4 District's failure to comply with the reporting requirements, the specifications of the Proposed District Program approved by the City under this Agreement, applicable federal, state, or local laws, rules, regulations and ordinances, or any other provision stated in this Agreement.

19. NOTICE:

19.1 Method. Any notice to be given under this Agreement is deemed to have been given if given in writing and delivered in person or mailed by overnight or Registered Mail, postage pre- paid, to the party who is to receive the notice at the addresses stated in 19.2. Such notice is deemed to have been given three (3) Working Days after the date it was delivered or mailed.

19.2 Addresses for Notice.

TO DISTRICT:
Dr. Douglas Killian
Superintendent, Pflugerville ISD

TO CITY:
Victor Gonzales
Mayor, City of Pflugerville

1401 W. Pecan Street
Pflugerville, Texas 78660

P. O. Box 589
Pflugerville, TX 78691

With a copy to:

Eduardo Ramos
Chief Operating Officer
Pflugerville ISD
1401 W. Pecan Street
Pflugerville, Texas 78660

Sereniah Breland
City Manager
City of Pflugerville
P. O. Box 589
Pflugerville, TX 78691 (512) 990 6100

James Hartshorn
Assistant City Manager
City of Pflugerville
P.O. Box 589
Pflugerville, Texas 75691

19.3 Change of Address. Each Party may change its address for notice by giving Notice of the new address. County and Contractor shall give notice to each other of any change in its address, including a change in the person to whom attention is directed, within fifteen (15) Days of the change.

20. IMMUNITY:

20.1 City Immunity. This Agreement is expressly made subject to City's Sovereign Immunity, Title 5 of the Texas Civil Practices and Remedies Code and all applicable federal and state law. The Parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability that the District, City, and/or County have by operation of law.

20.2 District Waiver of Sovereign Immunity. In consideration of City providing the CRF Funding to enable District to serve residents and government employees within the portion of District's jurisdiction within Travis County and to the extent that District may be or become entitled to claim for itself or its property or revenues any immunity on the ground of sovereignty or the like from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment or execution of a judgment, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), District hereby irrevocably and unconditionally agrees not to claim and hereby irrevocably waives such immunity with respect to the obligations under this Agreement and in particular the obligations to return CRF Funding to City if funds are not expended by October 31,2020 or if any expenditures are determined by City or the United States Department of the Treasury, at any time, not to comply with the requirements in the CARES Act or under this Agreement. In addition, District acknowledges that this waiver of immunity is material to the formation of this

Agreement, and is intended to be and is a this clear and unambiguous waiver of any immunity from both suit and liability that District may have for recovery by City of CFR Funding provided by and through the City (through County) under this Agreement.

However, District is not responsible for and does not waiver immunity for any failure of City to submit requests for reimbursement to County as set out in the interlocal agreement between City and County for use of CARES Act funds.

21. COMPLIANCE WITH LAWS:

District shall comply with all federal, state, and local statutes, ordinances, rules, regulations and federal Executive Orders applicable to the performance of this Agreement. District is responsible for ensuring this compliance.

22. BINDING AGREEMENT:

This Agreement is binding upon City and District and their respective heirs, successors, executors, administrators and assigns.

23. INTERPRETATIONAL GUIDELINES:

23.1 Contra Proferentem. The doctrine of contra proferentem shall not apply to this Agreement. If an ambiguity exists in this Agreement, the Agreement shall not be interpreted against the Party that drafted the Agreement and that Party is not responsible for the language used.

23.2 Law and Venue. The laws of the State of Texas and the CARES Act and the Treasury CRF Guidance and any applicable guidance from the Federal Government or Federal Agency related to the CRF or the CARES Act govern the interpretation of this Agreement. All obligations under this Agreement are performable in Travis County, Texas. The state or federal courts in Travis County shall be the sole and exclusive venue for any litigation between the Parties based on this Agreement.

23.3 Severability. If any portion of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement remains valid and enforceable.

23.4 Interpretation of Time. All times stated in this Contract, are stated in Central Time. Standard and Daylight Savings are applied based on the time in Austin, Texas on the stated date. In computing periods of time under this Contract, exclude the first Day and include the last Day. If the last Day is not a Working Day, extend the period until the next Working Day.

23.5 Number and Gender. The singular includes the plural and the plural includes the singular. Words of one gender include the other genders.

23.6 Headings. The headings and titles in this Agreement are for convenience only and are not to be used in interpreting this Contract.

24. PERSONS NOT A PARTY NOT TO BENEFIT:

The obligations of each Party to this Agreement shall inure solely to the benefit of the other Party, and no other person or entity may be a third person beneficiary of this Agreement or have any right to enforce any obligation created or established under it.

25. ENTIRE AGREEMENT:

This Agreement including the Exhibits incorporated as a part of it are the entire agreement relating to the subject matter of it between the Parties and supersedes any other agreement about the subject matter of this transaction, whether oral or written, and except otherwise provided herein, this Agreement may not be modified. Each Party acknowledges that the other Party, or anyone acting on behalf of the other Party has not made any representations, inducements, promises or agreements, orally or otherwise, unless those representations, inducements, promises or agreements are stated in this Agreement, expressly or by incorporation.

26. INDEPENDENT CONTRACTOR:

District, including its employees, agents and licensees, is an independent contractor and not an agent, servant, joint venture or employee of City. District is responsible for its own acts, omissions, forbearance, negligence and deeds, and for those of its agents or employees in conjunction with the performance of services or disbursement of funds under this Agreement. District is specifically responsible for supervision and inspection to ensure compliance in every respect with the requirements of this Agreement. There shall be no contractual relationship between City and any subcontractor, agent, employee or supplier of District by virtue of this Agreement.

PART 2 – MISCELANEOUS FEDERAL MANDATES

1. CIVIL RIGHTS AND EQUAL OPPORTUNITY IN EMPLOYMENT

During the performance of this Agreement, District agrees as follows:

1.1 District will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. District will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. This

action includes, but is not limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. District agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

1.2 District will, in all solicitations or advertisements for employees placed by or on behalf of District, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

1.3 District will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising these labor union or workers' representatives of District's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

1.4 District will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

1.5 District will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant to it, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with these rules, regulations, and orders.

1.6 If District is not compliant with the nondiscrimination clauses of this Agreement or with any of these rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and District may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

1.7 District will include the portion of the sentence immediately preceding paragraph 1.1 and the provisions of paragraphs 1.1 through 1.7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that these provisions will be binding upon each subrecipient or vendor. District will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event District becomes involved in, or is threatened with, litigation with a subrecipient or vendor as a result of this

direction by the administering agency District may request the United States to enter into such litigation to protect the interests of the United States.

1.8 List of Pertinent Nondiscrimination Authorities: District for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

-Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination based on race, color, national origin); and 49 CFR Part 21.

-The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

-Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);

-Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

-The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

-Airport and Airway Improvement Act of 1982, (49 U.S.C. § 4 71, Section 4 7123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

-The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, subrecipients and District’s , whether such programs or activities are Federally funded or not);

-Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;

-The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

-Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

-Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP

persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and

-Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U .S.C. 1681 et seq).

2. FEDERAL ANTI-LOBBYING CERTIFICATION

2.1 District agrees that its authorized official shall execute the Federal Anti-Lobbying Certification found in Exhibit D this Agreement. Exhibit D is expressly incorporated in and made a part of this Agreement.

2.2 No Federal appropriated funds have been paid or will be paid, by or on behalf of District , 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 of a Member of Congress in connection with awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement**.**

2.3 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 of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2.4 District shall require that:

2.4.1 the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements); and

2.4.2 all subrecipients 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 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). 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. District certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, District understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

3. CERTIFICATION REGARDING DEBARMENT

3.1 Because this Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, District is required to verify that none of the contractors, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

3.2 District must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction into which it enters.

3.3 This certification is a material representation of fact relied upon by City. If it is later determined that District did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to FEMA or any other funding source and City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

3.4 District agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. District further agrees to include a provision requiring this compliance in its lower tier covered transactions

3.5 District shall complete and update a Certification Regarding Debarment on the form in Exhibit C whenever there is a change in status.

4. HIPAA COMPLIANCE

District shall ensure that the persons performing services under this Contract comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and 45 Code of Federal Regulations, Part 164 which forms a portion of the regulations issued under HIPAA and HITECH; the Genetic Information Nondiscrimination Act of 2008; 42 Code of Federal Regulations, Part 2 which forms the regulations on Confidentiality of Alcohol and Drug Abuse Patient Records and Tex. Health & Safety Code Ann. §§ 81.046, 181.001, 241.151, and 611.001.

5. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, District, or any other party pertaining to any matter resulting from the Agreement.

6. FRAUD AND FALSE OR FRAUDULENT OR RELATED ACTS

6.1 District acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to City's actions pertaining to this Agreement.

6.2 False Statements by District. By acceptance of this Interlocal Agreement, District makes all the statements, representations, warranties, guarantees, certifications and affirmations included in this Interlocal Agreement. If applicable, District will comply with the requirements of 31 USC § 3729, which set forth that recipients of federal payments shall not submit a false claim for payment. If any of the statements, representations, certifications, affirmations, warranties, or guarantees are false or if the District signs or executes the Interlocal Agreement with a false statement or it is subsequently determined that District has violated any of the statements, representations, warranties, guarantees, certifications or affirmations included in this Interlocal Agreement, then District may consider this act a possible default under this Interlocal Agreement and may terminate or void this Interlocal Agreement for cause and pursue other remedies available to District under this Interlocal Agreement and applicable law. False statements or claims made in connection with District grants may result in fines, imprisonment, and debarment from participating in federal grants or contract, and/or other remedy available by law, potentially including the provisions of 38 USC §§ 3801-3812, which details the administrative remedies for false claims and statements made.

7. COMPLIANCE WITH THE AGREEMENT WORK HOURS AND SAFETY STANDARDS ACT

7.1 Overtime requirements. No Contractor or Subrecipient contracting for any part of the Agreement work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

7.2 Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section (29 C.F.R. Sec. 5.5) the District and any Subrecipient responsible therefor shall be liable for the unpaid wages. In addition, such District, and Subrecipient shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section (29 C.F.R. Sec. 5.5), in the sum of $27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section (29 C.F.R. Sec. 5.5).

7.3 Withholding for unpaid wages and liquidated damages. The Federal Emergency Management Agency or any other funding source or its loan or grant recipient shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by District or Subrecipient under any such contract or any other Federal contract with the same prime District, or any other federally-assisted contract subject to the Agreement Work Hours and Safety Standards Act, which is held by the same prime District , such sums as may be determined to be necessary to satisfy any liabilities of such District or Subrecipient for

unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section (29 C.F.R. Sec. 5.5)

7.4 Subcontracts. District or Subrecipient shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section (29 C.F.R. Sec. 5.5) and also a clause requiring the Subrecipients to include these clauses in any lower tier subcontracts. The prime District shall be responsible for compliance by any Subrecipient or lower tier subrecipient with the clauses set forth in paragraphs (b)(1) through (4) of this section

8. CLEAN AIR ACT

8.1 District agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

8.2 District agrees to report each violation to the City and understands and agrees that City will, in turn, report each violation to County and County or City may report each violation as required to assure notification to the Federal Emergency Management Agency or any other funding source, and the appropriate Environmental Protection Agency Regional Office.

8.3. District agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA or any other funding source.

9. FEDERAL WATER POLLUTION CONTROL ACT

9.1. District agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

9.2. District agrees to report each violation to the City and understands and agrees that City will, in turn, report each violation to County and City/County will report each violation as required to assure notification to the Federal Emergency Management Agency or any other funding source, and the appropriate Environmental Protection Agency Regional Office.

9.3. District agrees to include these requirements in each subcontract exceeding $150,000 financed in whole or in part with Federal assistance provided by FEMA or any other funding source.

10. PROCUREMENT OF RECOVERED MATERIALS

10.1 In the performance of this Agreement, District shall make maximum use of products containing recovered materials that are EPA designated items unless the product cannot be acquired—

10.1.1 Competitively within a timeframe providing for compliance with the contract performance schedule;

10.1.2 Meeting contract performance requirements; or

10.1.3 At a reasonable price.

10.2 Information about this requirement, along with the list of EPA designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program."

11. PROHIBITED COSTS

CRF Funding s may not be used in connection with the following acts by District or individuals employed by CRF Funding:

A. Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Revenue replacement is not a permissible use of the CRF Funding.

B. Damages covered by insurance.

C. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

D. Duplication of benefits including expenses that have been or will be reimbursed under any other federal program.

E. Reimbursement to donors for donated items or services.
F. Workforce bonuses other than hazard pay or overtime.
G. Severance pay.
H. Legal settlements.

12. REQUIRED DOCUMENTATION

Funding for this Interlocal Agreement is appropriated under the Coronavirus Aid, Relief, and Economic Security Act, 2020 (Public Law 116-136) enacted on March 27, 2020, as amended, to facilitate protective measures for and recovery from the public health emergency in areas affected by COVID-19, which are Presidentially declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). All expenditures under this Interlocal Agreement must be made in accordance with this Interlocal Agreement and any other applicable laws, rules or regulations. Further, District acknowledges that all funds are subject to recapture and repayment for non-compliance.

Part 3 – APPLICABLE STATE STATUTES

1. PUBLIC INFORMATION AND MEETINGS

1.1 District acknowledges that the City, a corporate and political subdivision of the State of Texas, and this Interlocal Agreement are subject to the Texas Public Information Act, Texas Government Code Chapter 552 (the "PIA").

1.2 District acknowledges that City will comply with the PIA, as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas.

1.3 District acknowledges that information created or exchanged in connection with this Interlocal Agreement, including all reimbursement Expense Documentation submitted to City and/or County, is subject to the PIA, whether created or produced by the City or any third party, and the City agrees that information not otherwise excepted from disclosure under the PIA, will be available in a format that is accessible by the public at no additional charge to City, County, or United States Department of the Treasury.

1.4 District will cooperate with City in the production of documents or information responsive to a request for information.

2. E-VERIFY

By entering into this Interlocal Agreement, District certifies and ensures that it utilizes and will continue to utilize, for the term of this Interlocal Agreement, the U.S. Department of Homeland Security's e-Verify system to determine the eligibility of (a) all persons employed during the contract term to perform duties within Texas; and (b) all persons (including subcontractors) assigned by the District pursuant to the Interlocal Agreement.

3. ENERGY CONSERVATION

If applicable, District agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

4. NEPOTISM

District shall comply with Texas Government Code, Chapter 573, by ensuring that no officer, employee, or member of the District's governing body or of the District'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.

5. CHILD PROTECTION

5.1 District shall comply with Section 231.006, Texas Family Code, which prohibits payments to a person who is in arrears on child support payments.

5,2 District 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. District shall also ensure that all program personnel are properly trained and aware of this requirement.

6. WORKPLACE PROTECTION

6.1 District 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.

6.2 District shall comply with the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991.

Part 4 - SIGNATURES AND EXHIBITS

1. DUPLICATE ORIGINALS:

This Agreement may be executed in duplicate originals and is effective when executed by both Parties.

2. SIGNATORY WARRANTY

The persons signing this Agreement for the Parties represent and warrant that they are officers of entity for which they have executed this Agreement and that they have full and complete authority to enter into this Agreement on behalf of their respective entity and that their executions are the acts of the Parties involved and have been delivered and constitute legal, valid and binding obligations of the respective Parties.

3. ACCEPTANCES

By their signatures below, the duly authorized representatives of District and City accept the terms of this Agreement in full.

CITY OF PFLUGERVILLE

_____

BY: Victor Gonzales
Mayor, City of Pflugerville
Date: _____

PFLUGERVILLE ISD

_____

BY: Dr. Douglas Killian
Superintendent, Pflugerville Independent School District
Date: _____

Approved as to Form:

_____

Charles Zech
Denton Navarro Rocha Bernal & Zech, P.C.
City Attorney
Attorneys for City of Pflugerville

Approved as to Form:

_____

Kelley Kalchthaler
Walsh Gallegos Treviño Russo & Kyle P.C.
Attorneys for Pflugerville ISD

Exhibit A

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act established the Coronavirus Relief Fund (the "Fund") and appropriated $150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.[1]

The guidance that follows sets forth the Department of the Treasury's interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred "due to" the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be "necessary." The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost

[1] *See* Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is "incurred" when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
    - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
    - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
    - Costs of providing COVID-19 testing, including serological testing.
    - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
    - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
    - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
    - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
    - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
    - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
    - Expenses for public safety measures undertaken in response to COVID-19.
    - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
    - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
    - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
    - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
    - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
    - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
    - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures[2]

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.[3]
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

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[2] In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

[3] *See* 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 28, 2020

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").[1] Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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[1] The Guidance is available at https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a "payroll support program" for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of "hazard pay"?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include "[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency." Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers' employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum $1.25 billion allocation and had one county with a population over 500,000 that received $250 million directly. The State should distribute 45 percent of the $1 billion it received, or $450 million, to local governments within the State with a population of 500,000 or less.

May a State impose restrictions on transfers of funds to local governments?

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the accrued interest expense on TANs and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

May recipients use Fund payments to provide loans?

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

Are Fund payments to State, territorial, local, and tribal governments considered grants?

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Are Fund payments subject to other requirements of the Uniform Guidance?

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?

Yes. The CFDA number assigned to the Fund is 21.019, pending completion of registration.

If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend $750,000 or more in federal awards during their fiscal year.

Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program

or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

Exhibit B

COVID-19 Response Recovery Uses of Coronavirus Relief Fund

Cost Categories Eligible for Reimbursement to Eligible Cities*				
	Cost Category	**Activity**	**Overlap**	**Description**
1	Medical Expenses	Public telemedicine capabilities		Expenses for establishing and operating public telemedicine capabilities for COVID-19- related treatment.
2	Payroll Expenses	COVID Dedicated Payroll Expenses		Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID19 public health emergency.
3	Compliance Expenses	Distance learning		Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
4	Compliance Expenses	Telework capability improvement		Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
5	Compliance Expenses	Providing paid sick and medical leave		Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
6	Compliance Expenses	Care of homeless populations		Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
7	Economic Expenses	Government payroll support program		Expenditures related to a State, territorial, local, or Tribal government payroll support program.
8	Economic Expenses	Unemployment insurance costs		Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
9	Other COVID-19 Related Expenses	Other COVID-19 Related Expenses		As specifically allowed by US Treasury Department.
10	Economic Expenses	Provision of grants to small businesses	TC-EDSI	Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures are allowed but require close coordination with County staff.
* If another local entity is using federal COVID-19 response and recovery funding for any of these eligible expenses within an eligible city's corporate limits, reimbursements for those expenses will be disallowed.				

Ineligible Cost Categories - Services Provided Directly by Travis County				
	Cost Category	**Activity**	**Overlap**	**Description**
1	Compliance Expenses	Rent, mortgage and utility assistance	TC-HHS	Expenses for rent, mortgage and utility assistance to low income residents impacted by the COVID-19 public health emergency and subsequent economic impacts.

Cost Categories Eligible for FEMA Funding				
	Cost Category	**Activity**	**Overlap**	**Description**
1	Medical Expenses	Public medical facility expenses	FEMA	COVID-19-related expenses of public hospitals, clinics, and similar facilities.
2	Medical Expenses	Establishing temporary facilities	FEMA	Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
3	Medical Expenses	Testing	FEMA	Costs of providing COVID-19 testing, including serological testing.
4	Medical Expenses	Emergency medical response	FEMA	Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
5	Public Health Expenses	Communication and enforcement	FEMA	Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
6	Public Health Expenses	Medical supply acquisition and distribution	FEMA	Expenses for acquisition and distribution of medical and protective supplies.
7	Public Health Expenses	Disinfection of public areas	FEMA	Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
8	Public Health Expenses	Technical assistance	FEMA	Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
9	Public Health Expenses	Public safety measures	FEMA	Expenses for public safety measures undertaken in response to COVID-19.
10	Public Health Expenses	Quarantining	FEMA	Expenses for quarantining individuals.
11	Compliance Expenses	Maintaining prisons and jails	FEMA	COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.

Exhibit C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION FOR THE DISTRICT

Federal Executive Order 12549 requires screening each covered potential subrecipient of federal funds to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion. Each subrecipient of federal funds covered must also screen each of its covered subrecipients.

In this certification "District" refers to both the Pflugerville Independent School District and any subrecipients; "contract" refers to both contract and subcontract.

By signing and submitting this certification, the District accepts the following terms:

1. The certification herein below is a material representation of fact upon which reliance was placed when this contract was entered into. If it is later determined that the District knowingly rendered an erroneous certification, in addition to other remedies available to the federal government or the City of Pflugerville may pursue available remedies, including suspension and/or debarment.

2. The District shall provide immediate written notice to the person to whom this certification is submitted if at any time the District learns that the certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

3. The words "covered contract," "debarred," "suspended," "ineligible," "participant," "person," "principle," "proposal," and "voluntarily excluded," as used in this certification have meanings based upon materials in the Definitions and Coverage sections of federal rules implementing Executive Order 12549.

4. The District agrees by submitting this certification that, should the proposed covered contract be entered into, it shall not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by a federal department or agency, as applicable.

Do you have or do you anticipate having subcontractors under this contract? ___YES ___NO

5. The District further agrees by submitting this certification that it will include this certification titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion for Covered Contracts" without modification, in all covered subcontracts; and in solicitations for all covered subcontracts.

6. District may rely upon a certification of a potential subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous. District must at a minimum, obtain certifications from its covered subcontractors upon each subcontract's initiation and upon each renewal.

7. Nothing contained in all the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this certification document.

The knowledge and information of District is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for contracts authorized under paragraph 4 of these terms, if District in a covered contract knowingly enters into a covered subcontract with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, any federal agency may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION FOR COVERED CONTRACTS

Indicate in the appropriate box which statement applies to the covered District:

The District certifies, by submission of this certification, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency, or the State of Texas.

The District is unable to certify to one or more of the terms in this certification. In this instance, the District must attach an explanation for each of the above terms to which he is unable to make certification. Attach the explanation(s) to this certification.

For District (Pflugerville ISD)

_____

Dr. Douglas Killian
Superintendent

Date: _____

Exhibit D
Federal Anti-Lobbying Certification

The undersigned District certifies that, to the best of its knowledge:

No Federal appropriated funds have been paid or will be paid, by or on behalf of District, 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 of a Member of Congress in connection with 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.

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 of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The District shall require that:

1) the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and

2) all subrecipients 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 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). 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. The District certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the District understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq.*, apply to this certification and disclosure, if any.

For District (Pflugerville ISD):

_____

Dr. Douglas Killian
Superintendent

Date: _____