

**INTERLOCAL AGREEMENT AND BETWEEN SAN AUGUSTINE COUNTY, TEXAS AND
SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT FOR
RURAL AMBULANCE SERVICE GRANT PROGRAM (HOUSE BILL 3000)**

STATE OF TEXAS

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COUNTY OF SAN AUGUSTINE

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This Interlocal Agreement (hereinafter the "Agreement") is made between **SAN AUGUSTINE COUNTY, TEXAS** (hereinafter the "County"), acting by and through its Commissioners' Court, and the **SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT** (hereinafter the "District"), acting by and through its Board, pursuant to the requirements of the House Bill 3000 Rural Ambulance Service Grant Program (hereinafter the "Rural Ambulance Service Grant Program", the "House Bill 3000 Grant", or simply the "Grant").

WHEREAS, the 89th Texas Legislature passed House Bill 3000 (now codified as Texas Local Gov't Code §130.914), the Rural Ambulance Service Grant Program, to establish a grant program to support the operation of ambulance services in rural areas of Texas, including but not limited to funding the acquisition of ambulances;

WHEREAS, Texas Gov't. Code Chapter 791 authorizes county governments to enter into contracts with one another and with agencies of the State of Texas; and Texas Gov't. Code §791.003 details these interlocal contracts which relate to "governmental services" such as public health and welfare; and §791.026(b) which states that local governments may "agree" with another local government or with the state or state agency, including the Texas Comptroller of Public Accounts, to purchase goods and services;

WHEREAS, the District operates San Augustine County EMS, a rural ambulance service which provides emergency medical services for all of San Augustine County, Texas and its citizens, including the incorporated and unincorporated areas of the County;

WHEREAS, the District is in need of the benefit of an additional ambulance in the operation of its ambulance service;

WHEREAS, the District has requested the County to apply for Rural Ambulance Service Grant Program Grant funds in order to purchase an ambulance;

WHEREAS, the County, by and through its County Judge, has applied for House Bill 3000 grant funds;

WHEREAS, at the request of the District, the County did so apply for the House Bill 3000 Grant funds, was awarded such Grant funds, and is in receipt of said Grant funds;

WHEREAS, the terms of the Grant require that the County and the District to enter into this written agreement to ensure the purpose of the Grant is fulfilled and that all Grant requirements are met by County and the District;

WHEREAS, the Texas Comptroller of Public Accounts requires that the County and the District enter into a written agreement prior to the expenditure of any Grant funds;

NOW THEREFORE, San Augustine County, Texas and San Augustine City-County Hospital District agree as follows:

Parties and Party Representatives

SAN AUGUSTINE COUNTY, TEXAS- JEFF BOYD, San Augustine County Judge, will serve as the County's representative in all matters relating to this Agreement.

SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT- MARSHALL McMILLAN, San Augustine City-County Hospital Board President, or his successor, will serve as the District's representative in all matters related to this Agreement.

Term of Agreement

This Agreement shall continue in full force and effect for a period of one year, beginning as of the effective date below and automatically renewing annually, on the one year anniversary of the effective date, until said Agreement between the County and District is terminated by either party providing written notice delivered by Certified Mail Return Receipt Requested to the respective party, or their successor, at least thirty (30) days prior to the end of the Agreement term or automatic renewal thereof. It is the intention of both parties that the obligations of County and the District hereunder shall continue to the end of the term specified herein, or any automatic renewal thereof.

Initial Purchase of Ambulance and Ownership

Upon receipt of grant funds, the County will procure an ambulance in accordance with applicable Texas law, including Texas Local Gov't. Code Chapter 262 and Texas Local Gov't. Code Chapter 271 which prescribe and regulate the acquisition, sale, and lease of property by the County.

The County agrees to initially purchase and own the grant funded ambulance for only the period necessary for the County to obtain written consent from the Texas Comptroller of Public Accounts to subsequently transfer ownership of the grant funded ambulance to the District.

Both the County and the District acknowledge and agree that the County will immediately apply to the Texas Comptroller of Public Accounts for written consent to allow the County to transfer ownership of the ambulance(s) purchased with Grant funds to the District. The District acknowledges and agrees that upon the County obtaining written consent from the Texas Comptroller of Public Accounts, it will take any and all action necessary to effectuate title transfer of the ambulance(s) purchased with Grant funds to the District. The County and the District acknowledge and agree that after obtaining consent from the Texas Comptroller of Public Accounts and once the County has

transferred title of the Grant funded ambulance(s) to the District, ownership of and any liability associated with ownership and operation of the grant funded ambulance(s) will fall solely upon the District.

State Interest in Grant-funded Ambulance(s); State Interest Period.

There is a State interest in all equipment acquired or improved with State funds under the House Bill 3000 Grant, including the ambulance(s) purchased with Grant funds the subject(s) of this Agreement. The State Interest Period is the period during which the County and subsequently the District must hold the equipment in trust for the beneficiaries of the House Bill 3000 Grant. The State Interest in the equipment will start upon the County's acquisition of the ambulance(s) acquired with Grant funds, and continue for a period of ten (10) years thereafter.

Grant-funded Ambulance(s) and Compliance with Grant Program Requirements and Applicable Laws

Under this Agreement, County will provide to District the ambulance(s) acquired under its House Bill 3000 Grant, and the District will provide ground ambulance services on behalf of the County and in accordance with the requirements of Section 130.914 of the Texas Local Gov't. Code and Title 34, Part I, Chapter 16, Subchapter F of the Texas Administrative Code. The County and the District acknowledge that any ambulance made available under this Agreement is funded by State funds appropriated by the State Legislature. The County and the District further acknowledge that this Agreement shall not be construed as creating a debt on behalf of the Texas Comptroller of Public Accounts in violation of Article III, Section 49a of the Texas Constitution, all obligations of the Texas Comptroller of Public Accounts are subject to the availability of grant funds, and any obligations are subject to termination or cancellation, either in whole or in part, without penalty to the Texas Comptroller of Public Accounts, if such funds are not appropriated or become unavailable.

Use, Maintenance, and Disposition Requirements for Grant-funded Ambulance(s)

The following requirements apply to an ambulance or ambulances acquired or improved with House Bill 3000 funds ("Project Property"):

- I. The District, the County, and any subrecipient of the Parties, as applicable, must use and manage Project Property in accordance with applicable law and Texas Grant Management Standards ("TxGMS"). For purposes of this Agreement, a subrecipient includes any subcontractor or other party that uses Project Property. Procedures for managing Project Property must meet the following requirements:
 - a) Property records must include a description of Project Property, a serial number or another identification number, the source of funding for Project Property, the title holder, the acquisition date, the cost of Project Property, the percentage of the Texas Comptroller of Public Accounts' contribution towards the original purchase, the location, use and condition of Project Property, and any disposition data including the date of disposal and sale price of Project Property. The County, the District and any subrecipient are responsible for maintaining and updating property records when there is a change in the status of Project Property;

- b) A physical inventory of Project Property must be conducted, and the results must be reconciled with the property records at least once every two years for the duration of the State Interest period;
 - c) A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The County or the District must notify the Texas Comptroller of Public Accounts of any loss, damage, or theft of Project Property; and
 - d) Regular maintenance procedures must be in place to ensure Project Property is in proper working condition.
- II. For the duration of the State Interest Period, the County, the District, and any subrecipient of the parties must use Project Property solely for the purpose of providing ground ambulance services in the County, and may not use Project Property for any other activities unless the County and Texas Comptroller of Public Accounts approve otherwise in writing;
 - III. For the duration of the State Interest Period, the County, the District, or any subrecipient of the Parties, as applicable, must comply with the insurance coverage requirements of applicable law and TxGMS;
 - IV. Project Property may not be encumbered or sold without the prior written approval of the Texas Comptroller of Public Accounts; and
 - V. The County may request disposition instructions from the Texas Comptroller of Public Accounts if Project Property is no longer needed.

Maintenance of Ambulance and Expenses

The District agrees that it will fund, at the sole expense of the District, all operation expenses for any grant funded ambulance, including but not limited to fuel, tires, registration, taxes, insurance, maintenance and repairs. The District also agrees to source and fund goods and services, such as parts, tires, shocks, and batteries that are designed to be replaced periodically and perform and complete routine maintenance of any grant funded ambulance such as oil and filter changes to keep any grant funded ambulance in good working order at all times. The District agrees to complete and repair any cosmetic or body damage sustained by any grant funded ambulance in a timely manner at the sole cost and expense of the District. Any parts and labor required for repairs and replacement of any parts on any grant funded ambulance will be the sole responsibility of the District to pay, and the District commits to funding all recommended scheduled maintenance in order to maximize the life of any grant funded ambulance.

The District hereby agrees to annually reimburse the County for any and all expense(s) incurred by the County, if any, related to the grant funded ambulance(s).

Grant Compliance

The District acknowledges the significance of and the necessity to comply with all requirements of and agrees that it will comply with any and all requirements and terms of the Rural Ambulance Service Grant Program. The District further agrees that it will promptly provide any data or information necessary that is required for the County to remain in compliance with the reporting requirements of the Rural Ambulance Service Provider Grant Program.

The County acknowledges the significance of and the necessity to comply with all the requirements of the Rural Ambulance Service Grant Program. The County agrees to monitor the District's compliance with the Grant requirements and use and maintenance of any and all ambulances funded by the Grant. The County further affirms all reporting responsibilities and requirements under the Grant from the effective date forward.

Right to Audit

The Auditor of the State of Texas ("State Auditor") may conduct an audit or investigation of any entity receiving funds from the State directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the State Auditor (or any successor agency), under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. Under the direction of the Legislative Audit Committee, an entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The District will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through this Agreement and the requirement to cooperate is included in any subcontract it awards, if any.

Records Retention

The District will maintain and retain all records relating to the performance of this Agreement. These records will be maintained and retained by the District for a period of at least four (4) years after this Agreement's expiration date or until all audit, claim, and litigation matters are resolved, whichever is later. The County may direct the District to retain documents for a longer period of time or transfer certain records to the County custody when it is determined the records possess longer term retention value. The District must include the substance of this clause in all subawards and subcontracts.

Amendment of Agreement

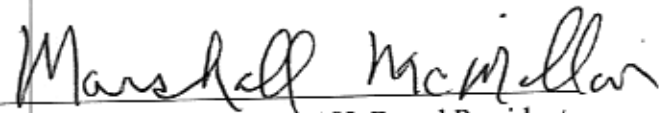
Both the County and the District reserve the right to amend this Agreement at any point upon mutual agreement of the Parties. Any and all amendments to this Agreement must be in writing.

Effective Date

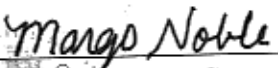
NOW THEREFORE, this Agreement is entered into and made effective as of the date below by and between the San Augustine County, Texas and San Augustine City-County Hospital District, each existing under the laws of the State of Texas and for the benefits and considerations hereinafter expressed. Under this Agreement, the County and the District agree to the conditions and requirements listed above.

EXECUTED AND MADE EFFECTIVE this 27th day of August, 2026, as duly authorized by the Commissioner's Court of San Augustine County, Texas and the San Augustine City-County Hospital District.


JEFF BOYD, County Judge
San Augustine County, Texas


MARSHALL McMILLAN, Board President
San Augustine City-County Hospital District

Attest:


MARGO NOBLE, County Clerk
San Augustine County, Texas



FILED FOR RECORD
August 28th 2026
AT 9:30 O'CLOCK A M
MARGO NOBLE, COUNTY CLERK
SAN AUGUSTINE COUNTY
SAN AUGUSTINE, TEXAS
BY Margo Noble
DEPUTY