

**INTERLOCAL COOPERATION AGREEMENT**  
**FOR ADMINISTRATION OF FIRE PROTECTION SERVICES**

THIS AGREEMENT is made and entered into this 19th day of September, 2016, by and between **Trophy Club Municipal Utility District No. 1**, a district created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54 hereinafter referred to as "**District**", and the **Town of Trophy Club**, a home rule municipal corporation, hereinafter referred to as "**Town**".

**WITNESSETH:**

**WHEREAS**, District is a duly organized political subdivision of the State of Texas engaged in the administration of fire protection and related services for the benefit of those persons residing, traveling within, or being physically located within the boundaries of District, which boundaries include, without limitation, portions of the incorporated and unincorporated limits of the Town of Trophy Club, Texas; and

**WHEREAS**, District and Town operate pursuant to the 2008 Interlocal Cooperation Agreement for Fire Protection Services as amended by the First Amendment to 2008 Interlocal Cooperation Agreement for Fire Protection Services (hereinafter collectively "2008 ILA for Fire Protection Services") and District provides firefighting services to residents of the Trophy Club Public Improvement District No. 1 (hereinafter also referred to as "**PID**"); and

**WHEREAS**, the PID pays their part of the fire expenditures through an assessment from the Town; and

**WHEREAS**, the provision of Fire Functions is a governmental function that serves the public health and welfare, promotes efficiency and effectiveness of local governments, and is of mutual concern to the contracting parties; and

**WHEREAS**, District is individually authorized to perform Fire Functions pursuant to Section 49.351 of the Texas Water Code and the Town is individually authorized to perform Fire Functions pursuant to its police powers and the parties desire to enter into this Agreement regarding the performance of Fire Functions; and

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "Act") provides authority for governmental entities of the State of Texas to enter into interlocal agreements with each other regarding governmental functions and services as set forth in the Act;

**WHEREAS**, Town and District have determined it necessary and appropriate to enter into a new agreement for the operation of Fire Protection Services superseding the 2008 ILA for Fire Protection Services; and

**NOW, THEREFORE,** District and Town, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

**I.  
Incorporation / Term**

**1.1 Incorporation of Recitals.** The foregoing recitals are agreed upon and incorporated herein as a part of this Agreement.

**1.2 Term.** This Agreement shall become effective upon approval by each of the respective governing bodies of Town and District and upon execution by their respective authorized representatives, and shall remain in effect for an initial trial period of five (5) years, commencing October 1, 2016 and terminating on September 30, 2021. The parties shall have a joint meeting to review the agreement in July 2017. Upon expiration of any five (5) year term, this agreement shall automatically be extended for an additional five (5) year term unless written notice of nonrenewal is given in accordance with Section X.

**II.  
Definitions**

**2.1** As used herein, the words and phrases hereinafter set forth shall have the meanings as follows:

- A. "Eligible Persons"** shall mean those persons residing, traveling within, or being physically located within the corporate boundaries of the Town of Trophy Club, Texas and/or District, including without limitation both incorporated and unincorporated areas, and shall also include those persons residing, traveling within, or being physically located within the corporate boundaries of another political subdivision of the State of Texas with whom Town and/or District have a mutual aid agreement to provide fire protection services and those persons located within the fire district as designated by Denton County and accepted by Town and/or District.
- B. "Emergency Medical Services"** shall mean any and all of the customary and usual activities of trained paramedics providing emergency health care services,
- C. "Fire-fighting Activities", "Fire Protection Services", or "Fire Functions"** shall mean any and all of the customary and usual activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, and administration.



### III. Budget and Funding

#### 3.1 Budget and Funding

- A. Budget Preparation:** Town shall prepare a budget for Fire Protection Services and present that budget to the Town Council and District for approval at a joint meeting before August 1 of each year. Both parties shall approve the contractual budget by August 15 of each year. Budget amendments requiring additional funding shall be submitted for approval to both Town Council and District. This Agreement does not impact the authority of District to set the appropriate tax rate for District

In order to facilitate a level emergency services assessment for the Trophy Club Public Improvement District pursuant to the annual Service and Assessment Plan or "SAP" and District Fire Tax, District shall provide outstanding debt, lease and reserve reimbursement obligations as illustrated in Attachment "A" to this Agreement. Changes and/or updates to Attachment "A" shall be provided to Town prior to June 30 of each year of this Agreement, and any renewal term.

- B. Funding:** District and Town shall share the funding of all costs associated with Fire Protection Services provided to Eligible Persons as defined herein, pursuant to the approved Budget and in accordance with the terms of this Agreement. Such funding shall be accomplished as follows:

- 1) District shall fund 50% of all costs associated of personnel providing Fire Protection Services provided to Eligible Persons as defined herein, in accordance with the terms of the Town approved Budget through the assessment and collection of an annual Fire Tax on the property owners of District.
- 2) District shall fund 100% of all costs of services and supplies associated with Fire Protection Services and services associated with operating the Fire Department in accordance with the terms of the Town approved Budget through the assessment and collection of an annual Fire Tax on the property owners of District.
- 3) District shall fund 100% of all fire capital replacement costs through an annual capital replacement contribution as defined herein, in accordance with the terms of the approved Fire Budget through the assessment and collection of an annual Fire Tax on the property owners of District.
- 4) The Town shall fund all costs associated with Fire Protection Services to Eligible Persons by an annual assessment on and collection from Eligible Persons owning real property and improvements thereon located within the Town but not within District and levied in accordance with the Public Improvement District Act, Chapter 372 of the Texas Local Government Code, as amended; such



assessment shall be adopted by Town Council through the approval of the Annual Service and Assessment Plan for Authorized Services for the Trophy Club Public Improvement District No. 1. If the beneficial assessment determined in the SAP (Service and Assessment Plan) is an amount different from the fire tax of District, the Parties agree to negotiate the reconciliation of the difference.

- 5) District shall continue to pay all outstanding debt obligations incurred and existing prior to the commencement of the contract term.
- 6) Budget overages or shortages shall be applied proportionally during the months of April to September of the current budget year.

**C. Payment:** Payments from the District for the purpose of Fire Protection Services shall be paid to the Town on a monthly basis. The monthly payments shall constitute the entirety of the annual contract divided by twelve (12) months, minus total PID assessment fee for Fire Protection services, beginning on October 31 and concluding on September 30 of each fiscal year of the term of the Agreement, and thereafter for each successive year in which this Agreement is in effect. Payments will become past due fifteen (15) business days after the established due date. The total amount of existing fire protection debt service shall be netted out.

#### **IV.**

#### **Operational Obligations and Rights of the Parties**

##### **4.1 District Obligations and Rights:**

District shall perform all of its duties and obligations as herein stated and shall devote sufficient time and attention to the execution of such duties in full compliance with the terms and conditions of this Agreement.

##### **4.2 Town Obligations and Rights:**

- A. Upon the effective date of this Agreement, Town shall be responsible for providing Fire Protection Services to Eligible Persons, including but not limited to assuming full responsibility for the operational control and management of Fire Protection Services, previously under the control and direction of District. The Town's responsibilities hereunder shall include, without limitation, the control, and management of all personnel as more specifically set forth in Section VI and all policy and personnel matters related to and arising out of providing Fire Protection Services and the obligations specifically assumed hereunder.
- B. Town, acting through its Town Manager or designees, shall oversee the daily operations of Fire Protection Services.
- C. The officers and employees of Town shall perform all duties and responsibilities of the District necessary to render Fire Protection Services to all Eligible Persons.



- D. It shall be the responsibility and duty of Town, its officers and employees, within the sole discretion of such officers and employees, to determine priorities in the dispatching and use of such equipment and personnel to perform Fire Functions under this Agreement.
- E. Town shall have the authority to enter into mutual aid agreements on behalf of District and Town to provide Fire Protection Services as deemed appropriate by Town. The term of such agreements shall run concurrently with the term of this Agreement and shall terminate upon termination of this Agreement.
- F. Town shall perform all of its duties and obligations as herein stated and shall devote sufficient time and attention to the execution of such duties provided on behalf of District in full compliance with the terms and conditions of this Agreement and shall provide immediate and direct supervision of employees, agents, contractors, sub-contractors and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this agreement for the mutual benefit of Town and District.
- G. Town will provide an annual report regarding status and maintenance of fire station, engine/pumper, brush truck, and ladder truck. Additionally, Town will continue to meet and/or exceed the requirements set by the NFPA and TCFP.
- H. District may hire Fire Auditors of their choice to review physical Fire Department assets and operator practices on an annual basis for benefit of District and Town; audit may occur during the month of April. (See Attachment "B"). All Auditors fees will be paid by the District.
- I. The Town shall provide the District timely notice of any accident, damage, dangerous or defective condition relating to District assets under this agreement.

## **V. Assets**

**5.1 Ownership.** Prior to the commencement of this agreement, all assets owned or directly purchased by District utilized for Fire Protection Services shall remain the property of District. This Agreement does not affect right, title or interest to such property. All assets owned or directly purchased by Town utilized for Fire Protection Services shall remain the property of the Town. This Agreement does not affect right, title, or interest to such property.

**5.2 Ownership Upon Termination.** Upon termination of this Agreement, each party shall retain ownership of assets purchased with its respective funds unless both Town and District elect to negotiate terms to transfer ownership to the other party.



**VI.**  
**Employee Supervision and Organization**

**6.1 Control and Oversight.** Town shall have control and oversight over Fire Protection Services and control and oversight over Emergency Medical Services. Town shall have exclusive authority to establish Standard Operating Procedures for Fire/EMS Protection Services. (hereinafter collectively, "SOPs").

**6.2 Benefits and Human Resources Services.** In accordance with Town personnel policies, Town shall provide benefits and human resources services to all eligible employees providing Fire Protection Services. DISTRICT shall provide funding as set forth in Subsection 3.1(B). The Parties understand and agree that on and after the effective date of this Agreement, all employees providing Fire Protection Services shall be Town employees and shall be solely subject to Town personnel policies and SOPs.

**VII.**  
**Consideration**

The parties agree that sufficient consideration for this Agreement exists and is found in the Payments Made pursuant to **Section III** of this Agreement and in the cross promises set forth above and other good and valuable consideration. District's agreement to fund Fire Functions as provided in Section III above in exchange for Town's agreement to oversee and manage Fire Functions for Eligible Persons as provided in Section IV above, shall serve as sufficient consideration under this Agreement. Each party hereto paying for the performance of governmental functions or services shall make such payments from current revenues legally available to the paying party. Each party further agrees that it is fairly compensated for the services or functions performed under the terms of this Agreement

**VIII.**  
**Negligence of Parties/Insurance**

**8.1 Town Negligence/Insurance.** Town shall be responsible for its sole negligence. Town agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all Town's officers, employees, and agents acting under its direction. Town shall provide liability insurance to cover the acts and omissions of Town, its officers, employees, and agents performing obligations under this agreement, including but not limited to all personnel providing Fire Protection Services.

**8.2 District Negligence/Insurance.** District shall be responsible for its sole negligence. District agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all District's officers, employees, and agents acting under its direction. District shall maintain general liability insurance to cover District owned or leased assets. District shall provide liability insurance to cover the acts and omissions of District, its officers, employees, and agents performing obligations under this Agreement.



**IX.**  
**Immunity**

The fact that Town and District accept certain responsibilities relating to the rendering of Fire Protection Services under this Agreement as part of their responsibility for providing protection for the public health makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be, and it is hereby, invoked to the extent possible under the law. Neither Town nor District waives any immunity or defense that would otherwise be available to it against claims arising from the exercise of governmental powers and functions.

**X.**  
**Default / Termination**

In the event that either party hereto breaches any term or condition of this Agreement, this Agreement may be terminated by the aggrieved party if such default is not cured within a period of one hundred eighty (180) days after receipt of written notice of default by the party allegedly in breach of its obligations hereunder. At the option of the aggrieved party, if such default is not cured within the one hundred eighty (180) day period, this Agreement shall immediately terminate without further notice, unless an extension is mutually agreed and approved by both Town and District.

**XI.**  
**Entire Agreement**

This Agreement represents the entire and integrated agreement between Town and District and supersedes all prior negotiations, representations, and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties.

**XII.**  
**Venue**

The laws of the State of Texas shall govern this Agreement and each of its terms and provisions, including but not limited to the rights and duties of the parties hereto, and exclusive venue shall be in Denton County, Texas.

**XIII.**  
**Severability**

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

**XIV.**  
**Non-Waiver**

All rights, remedies, and privileges permitted or available to either party under this Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy, or privilege shall not constitute a waiver or exclusive election of rights, remedies or privileges with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by the either party in the enforcement of any such right, remedy or privilege against the other party, shall not constitute a waiver of such right, remedy or privilege by the forbearing party. A default by either party under this Agreement shall not result in a forfeiture of any rights, remedies, or privileges under this Agreement by such defaulting party.

**XV.**  
**ANNUAL FINANCIAL AUDIT**

Town shall provide any documents requested by auditors of District no later than November 30 of each year.



### Signature Authority

The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

**EXECUTED in duplicate originals.** The effective date of this Agreement shall be September 19, 2016.

#### TOWN OF TROPHY CLUB, TEXAS

By: [Signature]  
Name: C. Nick Sanders  
Title: Mayor  
Date: 9-19-16

#### ATTEST:

By: [Signature]  
Name: Holly Fimbres  
Title: Town Secretary / RMO



#### TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

By: [Signature]  
Name: Kevin R. Carr  
Title: President  
Date: 9/19/16

#### ATTEST:

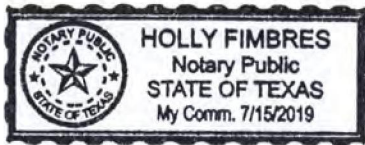
By: [Signature]  
Name: James Hase  
Title: Secretary/Treasurer



## ACKNOWLEDGEMENTS

STATE OF TEXAS       §  
                                  §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

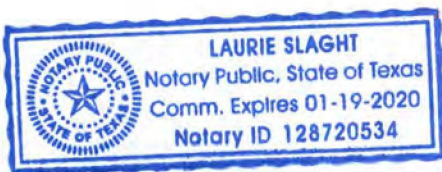
This instrument was acknowledged before me on the 19<sup>th</sup> day of September, 2016 by **C. Nick Sanders, Mayor** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation



Holly Fimbres  
Notary Public in and for the State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF DENTON   §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 19<sup>th</sup> day of September, 2016 by **Kevin Carr, President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, district, on behalf of such corporation



Laurie Slaght  
Notary Public in and for the State of Texas



**Attachment "A"**

## Trophy Club MUD - Fire Department Debt

Fiscal Year	Fire Station Bond		Reimbursement	Ladder Truck		Total		
			Reserve		Lease			
2017	\$	148,658	\$	68,096	\$	127,149	\$	343,903
2018		150,858		68,096		127,149		346,103
2019		147,883		68,096		127,149		343,128
2020		149,908		68,096		127,149		345,153
2021		151,758		68,096		127,149		347,003
2022		153,433		68,096		127,149		348,678
2023		153,433		68,096		-		221,529
2024		153,183		68,096		-		221,279
2025		152,683		68,096		-		220,779
2026		148,083		68,096		-		216,179
2027		153,368		68,096		-		221,464
2028		153,243		68,096		-		221,339
2029		152,783		68,096		-		220,879
2030		152,113		68,096		-		220,209
2031		151,163		68,096		-		219,259
Total	\$	2,272,550	\$	1,021,440	\$	762,894	\$	4,056,884

## **Attachment "B"**

### **Trophy Club Municipal Utility District No. 1 Fire Department Assets and Operator Practices Annual Audit Checklist**

- 1. Standard Operating Procedures (SOP) – Meet or exceed all requirements of Town SOP's for Fire Department.**
- 2. Annual Inspection of all Fire Department Vehicles:**
  - a. Ladder, Pumper and Brush Truck records of maintenance: including a full operational inspection once a year by a manufacturer approved facility (e.g. Pierce in Denton)**
- 3. Hose annual pressure testing documentation as required by the National Fire Protection Association standards (NFPA).**
- 4. Air Packs Self Contained Breathing Apparatus (SCBA) as required. Manufacturer guidelines of the National Fire Protection Association standards (NFPA).**
- 5. Radio communications will be checked. and kept current with technology and operational requirements as appropriate**
- 6. Training records including all certification documents required per local, state and federal and National Fire Protection Association standards**
- 7. Meet or exceed all requirements of fire plan approved by the Texas Commission on Environmental Quality (TCEQ).**