



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

Formatted: Not Different first page header

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 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

**MUD Addition**

**WHEREAS**, the PID pays their part of the fire expenses 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

Formatted: Superscript

2016 MUD Fire Operations – [Town Revised August 24<sup>th</sup>, 2016](#) – Notes added by Sanders in Red including MUD changes as submitted by Hase / Carr

Page 1 of 13

**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 Term of ~~five (5)~~ one (1) years. The Initial Term of this Agreement shall commence on October 1, 2016 and shall terminate on September 30, 2017~~24~~. Upon expiration of the Initial Term, this Agreement shall automatically be extended for three (3) additional five (5) year terms unless written notice of nonrenewal is given in accordance with **Section X**.

MUD Proposed Changes via Hase and edits via Carr

**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 one (1) year, commencing October 1, 2016 and terminating on September 30, 2017. If neither governmental agency elects to terminate after one (1) year trial, then an initial term of five (5) years shall commence on October 1, 2017 and shall terminate on September 30, 2022. Upon expiration of the initial 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. 10.1 and 10.2 of this Agreement..

**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.

Formatted: Superscript

- 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, Emergency Medical Services, 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 for approval. 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. The Town will submit a preliminary contractual amount when the Town submits the fiscal budget to Town Council. Town will provide an updated contractual amount for Fire-fighting Activities prior to August 31 in accordance with the proposed Town's fiscal year budget. Town shall present to District a total contractual obligation amount by August 31 each year. Town shall make available staff and budget information to District as needed for approval of the contractual obligation.

MUD Proposed Changes via Hase and edits from Carr

**A. Budget Preparation:** Town shall prepare a budget for Fire Protection Services and present that budget to the Town Council for approval. The Town representative shall then present the Fire Budget to the District Board of Directors for possible changes and final approval. 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. The Town will submit a preliminary contractual amount when the Town submits the fiscal budget to Town Council. Town will provide an updated contractual amount for Fire-fighting Activities prior to August 31 of current fiscal year in accordance with the proposed Town's fiscal year budget.

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, (with the exception of 2016), and any renewal term. **Change above from Carr was an addition in RED.**

**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

Formatted: Superscript

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 capital replacement costs through an annual capital replacement contribution 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.

**MUD changes made by Carr – add the word fire in Red 2 times and remove Town**

- 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 ~~Town~~ 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.

**MUD wishes to strike 5 - Carr**

- 5) District shall continue to pay all outstanding debt obligations incurred and existing prior to the commencement of the contract term.

**MUD addition by Carr in RED**

**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**, 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

Formatted: Superscript

which this Agreement is in effect. Payments will become past due fifteen (15) business days after the established due date.

**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.
- MUD addition per Carr in RED**
- C. The officers and employees of Town shall perform all duties and responsibilities of the District necessary to render Fire Protection Services (per Attachment "B" Item 7) 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.

Formatted: Superscript

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.

MUD replacement of G by Hase and Carr in RED

G. District shall 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 shall occur during the month of April. (See Attachment "B"). All Auditors fees will be included in Fire Budget.for assets and operator practices.

## 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.

MUD replacement of 5.1 by Carr which removed the last 2 sentences of above

**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.

**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

**6.01 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 Firefighting Services and Standard Operating Procedures for Emergency Medical Services. (hereinafter collectively, "Town SOPs").

**6.02 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 Town SOPs.

2016 MUD Fire Operations – Town Revised August 24<sup>th</sup>, 2016 – Notes added by Sanders in Red including MUD changes as submitted by Hase / Carr

Page 6 of 13

Formatted: Superscript

**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**



**10.1** This Agreement may be terminated during the last year of the Initial Term without cause by either party giving written notice to the other party on or before April 1, 20~~17~~<sup>24</sup> for termination effective September 30, 20~~17~~<sup>24</sup> or by written notice on or before April 1 during the last year of any renewal term of this Agreement for termination effective on September 30 of the last year of the then current five (5) year renewal term.

**MUD replacement for 10.1 – some changes by Hase and some by Carr**

**10.1** This Agreement may be terminated after year one (1) and subsequently during the last year of the Initial five (5) year Term without cause by either party giving written notice to the other party on or before June 1st, 2022 for termination effective September 30, 2022 or by written notice on or before June 1<sup>st</sup> 2017 and subsequently during the last year of any renewal term of this Agreement for termination effective on September 30 of the last year of the then current five (5) year renewal term.

**10.2** 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 ninety (90) 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 ninety (90) 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.

Formatted: Superscript

**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.

MUD addition from Hase and edits by Carr

**XV.  
ANNUAL FINANCIAL AUDIT**

The Fire Department annual financial audit will continue to be a part of the annual Trophy Club Municipal Utility District No. 1 financial audit. Town will provide full access to Fire records for this purpose no later than September 30<sup>th</sup> of current fiscal year.

**XV.  
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 \_\_\_\_\_, 2016.

**TOWN OF TROPHY CLUB, TEXAS**

By: \_\_\_\_\_  
Name: C. Nick Sanders  
Title: Mayor  
Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: Holly Fimbres  
Title: Town Secretary / RMO

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

By: \_\_\_\_\_  
Name: Kevin R. Carr~~Jim Moss~~  
Title: President  
Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: James Hase~~Kevin R. Carr~~  
Title: Secretary/Treasurer

Formatted: Superscript

**ACKNOWLEDGEMENTS**

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

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2016 by **C. Nick Sanders, Mayor** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation

\_\_\_\_\_  
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 \_\_\_\_ day of \_\_\_\_\_, 2016 by **Jim Moss, President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, district, on behalf of such corporation

\_\_\_\_\_  
Notary Public in and for the State of Texas

Formatted: Superscript

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
<b>Total</b>	<b>\$ 2,272,550</b>	<b>\$ 1,021,440</b>		<b>\$ 762,894</b>		<b>\$ 4,056,884</b>

Formatted: Superscript

2016 MUD Fire Operations – [Town Revised August 24<sup>th</sup>, 2016](#) – Notes added by Sanders in Red including MUD changes as submitted by Hase / Carr

Page 12 of 13

**MUD addition of Attachment B – Some came from Hase and some from Carr**  
**Attachment “B”**

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

(Audit to be performed by independent consultant retained by the District)

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).**
8. **Check for replenishment of major assets through GASB accounts.**

Formatted: Superscript

2016 MUD Fire Operations – [Town Revised August 24<sup>th</sup>, 2016](#) – Notes added by Sanders in Red including MUD changes as submitted by Hase / Carr Page 13 of 13

DIRECTOR ROSE

Fire ILA Changes

Redline added 3<sup>rd</sup> "WHEREAS, the PID pays their part of the fire expenses through an assessment from the Town; and"

1.2 Propose: An initial term of three years....terminate on September 30, 2017

2.1 C. Delete "Emergency Medical Services" Creates conflict with 3.1 B 2, 3.1 C

3.1 A Change last two sentences to read: "The Town shall submit a preliminary contractual amount to the District when the Town submits the fiscal budget to the Town Council. Town shall make staff and budget information available to District as needed for approval of the contractual obligation. Town and District shall have a joint meeting for the purpose of agreeing on a final contractual amount no later than August 31 of each year."

3.1 B. Strike "and any renewal term." Redundant. Agreement automatically renews.

New 3.1 B 5. : Funds that are not expended annually during the course of this agreement shall be applied to the next year's budget in accordance with distribution of costs shown above. Conversely, shortfalls shall be allocated to District and Town in accordance with distribution of costs shown above.

Old 3.1 B 5 was removed in redline. Why? Is the Town going to pick up the debt??

3.1 C Redline "minus total PID assessment fee" needs to be specific "for Fire Protection Services".

4.1. Add sentence: " The District may review Fire Protection Services and coordinate modifications with the Town. The District may inspect, maintain, or repair District assets under this agreement during reasonable hours. The Town shall be informed of findings and actions taken, or to be taken."

4.2. C. Reword redline to: "The officers and employees of Town shall perform all duties and responsibilities of the District necessary to meet or exceed all requirements of fire plan approved by the Texas Commission on Environmental Quality (TCEQ) and render Fire Protection Services to all Eligible Persons.

4.2 G. Add "The Town shall provide the District timely notice of any accident, damage, dangerous or defective condition relating to District assets under this agreement."

4.2 G Redline Added

5.1 Redline deleted: "All assets owned or directly purchased by Town utilized for Fire Protection Services shall remain the property of the Town." Reinsert.

6.1 "Town shall have exclusive authority to establish Standard Operating Procedures for Firefighting Services..." If this is true, why are we approving them??? Move "town SOP's" to definitions.

10. three years and during the final year of any automatic renewal period.

Annex "B" Is this necessary or desirable? Complete? Limiting?

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

Formatted: Not Different first page header

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_, 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, the PID pays their part of the fire expenses 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 one (1) year, commencing October 1, 2016 and terminating on September 30, 2017. If neither governmental agency elects to terminate after one (1) year trial, then an initial term of five (5) years shall commence on October 1, 2017 and shall terminate on September 30, 2022. Upon expiration of the initial five (5) year term, this agreement shall automatically be extended for three (3) additional five (5) year terms unless written notice of nonrenewal is given in accordance with Section 40.2X. 10.1 and 10.2 of this Agreement. ~~an Initial Term of five (5) years. The Initial Term of this Agreement shall commence on October 1, 2016 and shall terminate on September 30, 2021. Upon expiration of the Initial Term, this Agreement shall automatically be extended for three (3) additional five (5) year terms 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, Emergency Medical Services, 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 for approval. The Town representative shall then present the Fire Budget to the District Board of Directors for possible changes and final approval. 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. The Town will submit a preliminary contractual amount when the Town submits the fiscal budget to Town Council. Town will provide an updated contractual amount for Fire-fighting Activities prior to August 31 of current fiscal year- in accordance with the proposed Town's fiscal year budget.

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 (with the exception of 2016), 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 Town-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.~~

**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, 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.

Formatted: Font color: Red

**IV.  
Operational Obligations and Rights of the Parties**

**4.1 District Obligations and Rights:**

Formatted: Tab stops: Not at 0.56"

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 (per Attachment "B" Item 7.) 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. District shall 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 shall occur during the month of April. (See Attachment "B"). All Auditors fees will be included in Fire Budget.for assets and operator practices.

## 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

**6.01 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 Firefighting Services and Standard Operating Procedures for Emergency Medical Services. (hereinafter collectively, "Town SOPs").

**6.02 --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 Town 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**

**10.1** This Agreement may be terminated ~~after year one (1) and subsequently~~ during the last year of the Initial ~~five (5) year~~ Term without cause by either party giving written notice to the other party on or before ~~April June 1st, 2024~~ for termination effective September 30, ~~2024-2022~~ or by written notice on or before ~~2016 April June 1st 2017~~ ~~and subsequently~~ during the last year of any renewal term of this Agreement for termination effective on September 30 of the last year of the then current five (5) year renewal term.

Formatted: Superscript

**10.2** 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 ninety (90) 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 ninety (90) 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**

~~The~~The Fire Department annual financial audit will continue to be a part of the annual Trophy Club Municipal Utility District No. 1 financial audit. Town will provide full access to Fire records for this purpose no later than September 30<sup>th</sup> of current fiscal year.

Formatted: Centered

Formatted: Centered

Formatted: Normal, Left

Formatted: Font: Arial, 12 pt, Superscript

**XVI.  
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 \_\_\_\_\_, 2016.

**TOWN OF TROPHY CLUB, TEXAS**

By: \_\_\_\_\_  
Name: C. Nick Sanders  
Title: Mayor  
Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: Holly Fimbres  
Title: Town Secretary / RMO

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

By: \_\_\_\_\_  
Name: ~~Jim Moss~~ Kevin R. Carr  
Title: President  
Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: ~~Kevin R. Carr~~ Jamesim Hase  
Title: Secretary/Treasurer



**ACKNOWLEDGEMENTS**

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

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2016 by **C. Nick Sanders, Mayor** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation

\_\_\_\_\_  
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 \_\_\_\_ day of \_\_\_\_\_, 2016 by **Jim MossKevin R. Carr, President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a District, on behalf of such corporation

\_\_\_\_\_  
Notary Public in and for the State of Texas

Attachment "A"

**Trophy Club MUD - Fire Department Debt**

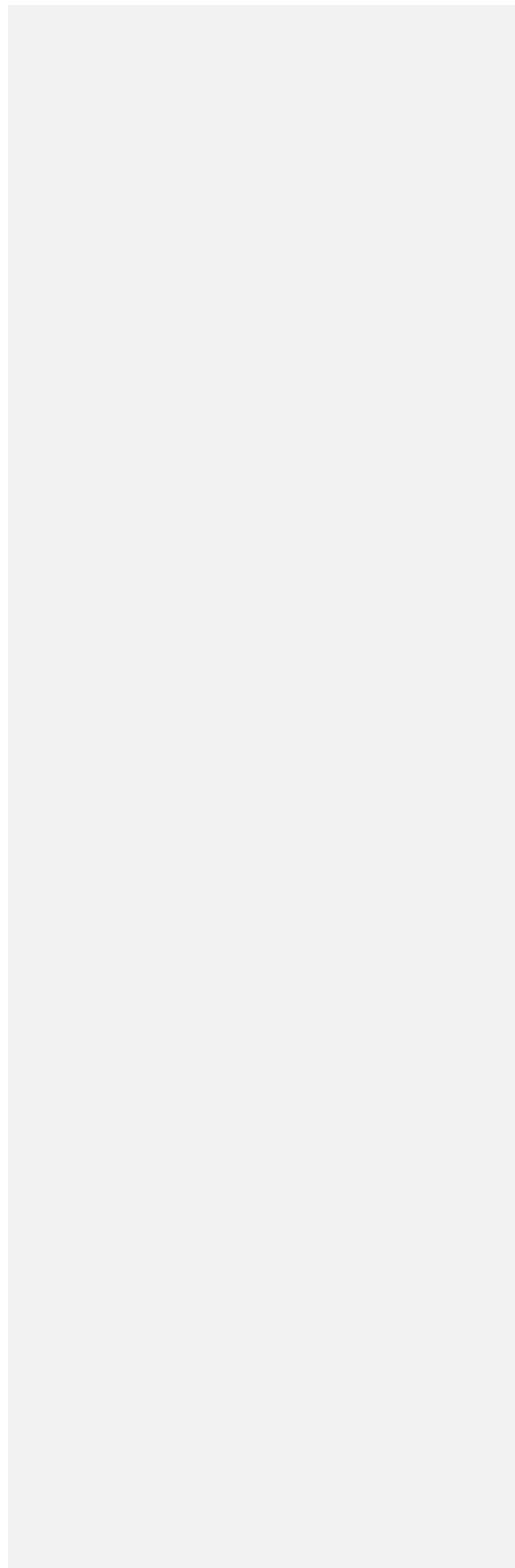
<u>Fiscal Year</u>	<u>Fire Station Bond</u>	<u>Reimbursement Reserve</u>	<u>Ladder Truck Lease</u>	<u>Total</u>
2017	\$ 148,658	\$ 68,096	\$ 127,149	\$ 343,903
2018	150,858	68,096	127,149	346,103
2019	147,883	68,096	127,149	343,128
2020	149,908	68,096	127,149	345,153
2021	151,758	68,096	127,149	347,003
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
<b>Total</b>	<b>\$ 2,272,550</b>	<b>\$ 1,021,440</b>	<b>\$ 762,894</b>	<b>\$ 4,056,884</b>

~~**Trophy Club MUD - Fire Department Debt**~~

Formatted Table

<u>Fiscal Year</u>	<u>Fire Station Bond</u>	<u>Reimbursement Reserve</u>	<u>Ladder Truck Lease</u>	<u>Total</u>
<del>2017</del>	<del>\$ 148,658</del>	<del>\$ 68,096</del>	<del>\$ 127,149</del>	<del>\$ 343,903</del>
<del>2018</del>	<del>150,858</del>	<del>68,096</del>	<del>127,149</del>	<del>346,103</del>
<del>2019</del>	<del>147,883</del>	<del>68,096</del>	<del>127,149</del>	<del>343,128</del>
	<del>149,908</del>	<del>68,096</del>	<del>127,149</del>	<del>345,153</del>
	<del>151,758</del>	<del>68,096</del>	<del>127,149</del>	<del>347,003</del>
	<del>153,433</del>	<del>68,096</del>	<del>127,149</del>	<del>348,678</del>
	<del>153,433</del>	<del>68,096</del>	<del>=</del>	<del>221,529</del>
	<del>153,183</del>	<del>68,096</del>	<del>=</del>	<del>221,279</del>
	<del>152,683</del>	<del>68,096</del>	<del>=</del>	<del>220,779</del>
	<del>148,083</del>	<del>68,096</del>	<del>=</del>	<del>216,179</del>
	<del>153,368</del>	<del>68,096</del>	<del>=</del>	<del>221,464</del>
	<del>153,243</del>	<del>68,096</del>	<del>=</del>	<del>221,339</del>
	<del>152,783</del>	<del>68,096</del>	<del>=</del>	<del>220,879</del>
	<del>152,113</del>	<del>68,096</del>	<del>=</del>	<del>220,209</del>
	<del>151,163</del>	<del>68,096</del>	<del>=</del>	<del>219,259</del>

<del>2020</del>	<del>149,90</del>	<del>68,09</del>	<del>127,14</del>	<del>345,15</del>
	<del>8</del>	<del>6</del>	<del>9</del>	<del>3</del>
<del>2021</del>	<del>151,75</del>	<del>68,09</del>	<del>127,14</del>	<del>347,00</del>
	<del>8</del>	<del>6</del>	<del>9</del>	<del>3</del>
<del>2022</del>	<del>153,43</del>	<del>68,09</del>	<del>127,14</del>	<del>348,67</del>
	<del>3</del>	<del>6</del>	<del>9</del>	<del>8</del>
<del>2023</del>	<del>153,43</del>	<del>68,09</del>	=	<del>221,52</del>
	<del>3</del>	<del>6</del>		<del>9</del>
<del>2024</del>	<del>153,18</del>	<del>68,09</del>	=	<del>221,27</del>
	<del>3</del>	<del>6</del>		<del>9</del>
<del>2025</del>	<del>68,096</del>		=	<del>220,779</del>
<del>2026</del>	<del>68,096</del>		=	<del>216,179</del>
<del>2027</del>	<del>68,096</del>		=	<del>221,464</del>
<del>2028</del>	<del>68,096</del>		=	<del>221,339</del>
<del>2029</del>	<del>68,096</del>		=	<del>220,879</del>
<del>2030</del>	<del>68,096</del>		=	<del>220,209</del>
<del>2031</del>	<del>68,096</del>		=	<del>219,259</del>
<b>Total</b>	<b>\$ <del>1,021,440</del></b>	<b>\$ <del>762,89</del></b>		<b>\$ <del>4,056,884</del></b>



Interlocal Cooperation Agreement for  
Administration of Fire Protection Services

Page 13 of 14

**Attachment "B"**

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

(Audit to be performed by independent consultant retained by the District)

**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)**

~~**Ladder, Pumper and Brush Truck records of maintenance: including once a year 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**  
~~**Radio communications will be checked.**~~

**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).**

**8. Check for replenishment of major assets through GASB accounts.**

Formatted: Centered

Formatted: Font: Arial, 12 pt

Formatted: Font: Arial, 12 pt, Bold

Formatted: Font: 10 pt

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Indent: Left: 0.75"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: Indent: Left: 0.25"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Font: (Default) Arial, 12 pt, Bold

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"