

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

**INTERLOCAL COOPERATION AGREEMENT
FOR LAW-ENFORCEMENT SERVICES**

THIS INTERLOCAL COOPERATION AGREEMENT FOR LAW-ENFORCEMENT SERVICES is made and entered into on the 2nd day of MAY, 2022, by and between Collin County, Texas (the “County”), and East Collin County Municipal Utility District No. 1 (the “District” and collectively known as the “Parties”).

RECITALS

WHEREAS, the District is a conservation and reclamation district and political subdivision of the State of Texas duly created pursuant to Section 6 of House Bill 4627, 87th Texas Legislature, Regular Session, 2021, codified as Chapter 7938A, Texas Special District Local Laws Code; and

WHEREAS, the District is seeking to secure Law-Enforcement Services (as defined below) for the residents of the District; and

WHEREAS, the Collin County Sheriff and Sheriff’s Office are responsible for suppressing crime, keeping the peace, executing summonses and other process, arresting persons as authorized, and securing and caring for inmates in the county jail under section 23, article 5 of the Constitution, chapter 2 of the Code of Criminal Procedure, chapter 351 of the Local Government Code, and other laws;

WHEREAS, the County, through the Sheriff’s Office, is willing to provide Law-Enforcement Services to the residents on the land located within the boundaries of the District, as described in Exhibit A here, under the terms provided here; and

WHEREAS, the District believes that it is in the best interest of the District’s residents and property owners to enter into this Agreement whereby residents within the District pay to the County the amounts provided here to assist in funding Law-Enforcement Services.

AGREEMENT

NOW THEREFORE, the County and District, in consideration of these mutual covenants and agreements, do mutually agree as follows:

Section 1. Purpose. The Parties’ purpose is for the District to contract with the County for the

Sheriff's Office to provide Law-Enforcement Services to the District's residents in return for the payment of a services fee, in accordance with this Agreement. The Parties have authority to enter into this agreement under the Interlocal Cooperation Act, Government Code, chapter 791.

Section 2. Definitions. In this Agreement:

"The County" means Collin County, Texas.

"The District" means East Collin County Municipal Utility District No. 1.

"Effective Date" means the date on which this Agreement becomes effective as provided in Section 3.

"Law-Enforcement Services" means the Collin County Sheriff's and Sheriff's Office's duty to enforce the law in the county, particularly the unincorporated areas, under state, federal, and local law, including providing patrol, emergency-response, criminal-investigation services, and enforcement of state laws, including the state prohibition against operating a motor vehicle on a levee or other area as described in section 49.217(b) of the Water Code, and to accept custody of arrested persons and inmates under articles 2.17 and 2.18 of the Code of Criminal Procedure. *See Weber v. City of Sachse*, 591 S.W.2d 563 (Tex. Civ. App.—Dallas 1979, writ dismissed). Under this agreement, law-enforcement services *exclude* (1) enforcement of rules or regulations enacted by the District's governing body, or a home-owners' association, or ones contained in property deeds, (2) enforcement of regulations or prohibitions on vehicular travel on private property or private roads within the meaning of section 542.005 of the Transportation Code or section 49.217(c) of the Water Code, (3) enforcement of county or other traffic regulations that may later be extended to qualifying roads in the District under an agreement under section 251.151(b) of the Transportation Code or as a result of a petition and order under sections 542.007–542.0081 of the Transportation Code or similar provisions (that is, the District and County would have to follow those provisions in the future for such traffic enforcement), (4) provision of detention services beyond taking custody of persons arrested for or accused of violating state law under articles 2.17 and 2.18 of the Code of Criminal Procedure (that is, the Sheriff will meet the Sheriff's duties under articles 2.17 and 2.18 but will not accept custody of persons arrested for or accused of a class C misdemeanor, *see* Tex. Att'y Gen. Op. No. JM-0151 (1984) (the District and the County would have to sign a separate jail-services agreement for such services)), (5) provision of a school resource officer, *see* subchapter M of chapter 1701 of the Occupations Code, or similar services, and (6) provision of specific security services, such as security at construction sites in the District to prevent or deter theft.

"Parties" means the District and the County.

"TCEQ" means the Texas Commission on Environmental Quality.

“Will,” as in “a Party will . . . ,” imposes a duty and may be read as “shall.” *See* Gov’t Code, § 311.016(2). “May,” as in “a Party may . . . ,” creates a discretionary authority. *See id.* § 311.016(1).

Section 3. Effective Date and Term.

(a) This Agreement is between the District and the County per the Interlocal Cooperation Act, chapter 791 of the Government Code.

(b) This Agreement will take effect on the first day of the month following the adoption of an order by the District.

(c) The County’s fiscal year is between October 1 and September 30. *See* Local Gov’t Code, § 112.010(b). Once effective, this Agreement will continue in effect until September 30 of the year in which the Agreement first became effective. Afterwards, the contract will automatically renew for successive one-year periods between October 1 and September 30, unless otherwise properly terminated. *See* Gov’t Code, § 791.011(f), (i). The County may terminate by providing the District with at least 30 days’ written notice prior to the end of the initial term or any renewal term or as otherwise set forth in section 9. The District may terminate by providing the County with at least 30 days’ written notice prior to the end of the initial term or any renewal term or as otherwise set forth in section 9, but only on the precondition that the District has entered into an agreement with another law enforcement entity to provide Law-Enforcement Services to the residents of the District upon the termination of this Agreement.

Section 4. Law-Enforcement Services.

(a) The Parties agree that for and in consideration of the monies to be paid by the District, as set forth here, the County will provide the District and its citizens and property owners Law-Enforcement Services in accordance with all applicable federal, state, and local laws and regulations.

(b) During this Agreement’s term, the County will provide Law-Enforcement Services to residents and property owners within the District, including any land that is added to the District from time to time. The County will provide Law-Enforcement Services to residents in the District in the same manner and with the same standard of care as it would to those residents located in other areas of County coverage. Although the parties may contract for other or additional enhanced or dedicated patrol services under sections 6(f), (h), or (i), the County will provide dedicated patrol services under section 6(g) as the District develops.

(c) The District assumes no responsibility for the reliability, promptness, or response time of the County. This agreement will not impair or affect the District’s other authority with regard to arranging for law enforcement, such as authority under section 49.216 of the Water Code.

Section 5. Personnel. The County will provide all required personnel, and they will be peace officers under article 2.12 of the Code of Criminal Procedure and licensed under chapter 1701 of the Occupations Code. The District will make no recommendations and will be in no way responsible for the selection or qualifications of the County's peace officers.

Section 6. Payment for Law-Enforcement Services.

(a) Regular Payments. In exchange for the County providing Law-Enforcement Services, the District agrees to pay the County as follows:

(1) Residential Properties (Single Family). The District will pay to the County a monthly charge for each single-family residential unit in the District that is connected to and receiving service from the District's water supply system on or before the twentieth (20th) day of the immediately preceding month. A residential unit shall mean any building or part of a building designed for permanent occupancy by one family.

(2) Non-residential Properties. The District will also pay the County a monthly charge for each 2,000 square feet or part thereof of building floor area for every "improved non-residential property" located in the District that is connected to and receiving service from the District's water distribution system on or before the twentieth (20th) day of the immediately preceding month. "Improved non-residential property" means any improved real property, whether or not such property is tax-exempt, on which there is located a building or structure that is not residential property. The square footage used to determine the charge is based on the records of the Collin Central Appraisal District.

(3) Other Properties. If the District builds homes or other buildings, such as multi-family homes, townhomes, or apartments, that do not fit under subsections 6(a)(1) or (2), then the parties will include an appropriate fee for such units in future calculations of the fees under section 6(e).

(4) The District will mail or deliver these payments to the County at:

Collin County Administration Building
2300 Bloomdale Rd., Suite 4192
McKinney, Texas 75071

(b) Initial Monthly Charge. The initial monthly charge provided for in sections 6(a)(1) and 6(a)(2) is \$10.00. Initially, including contract year 1, this figure is a just placeholder until the District has enough homes to meet the minimum charge in section 6(d). In any event, the parties will negotiate annually a charge to fairly compensate the County under section 6(e). Such payment will be due on a monthly basis in the amount the District's operator reports as such single-family residential connections and improved non-residential connections on its monthly report to the

District. The first payment will be due on the first day of the month following this Agreement's effective date. After the first contract year, the monthly charge will be recalculated under section 6(e).

(c) Quarterly Payment Date. The District will collect the required monthly charges and pay them to the County on a quarterly basis, within 60 days after the end of each quarterly period during the term of the Agreement. The District will pay all quarterly without notice or demand at the offices of the County, unless the District is notified otherwise. Otherwise, the District will pay its fees in accordance with chapter 2251 of the Government Code.

(d) Minimum Fee. The District's minimum annual fee will be \$10,000, even if the fee calculated under the other parts of this section totals less than \$10,000.

(e) Annual Calculation of Fees. The County will recalculate the fee under this section each contract year. The fee's purpose is to permit the County to recover fair compensation for performing under this Agreement, under section 791.011(e) of the Government Code. Fair compensation is the County's total cost of performing the services contemplated herein for the contract year.

The County's actual costs may include (1) personnel compensation (*i.e.*, salary and benefits, including FICA taxes (Social Security and Medicare), state unemployment insurance, health-care benefits, and retirement and pension benefits), (2) overtime costs, (3) police-equipped vehicles (standard police package, mobile radio, mobile data terminal; extra equipment may include radar equipment or license-plate readers) (4) equipment (including, but not limited to, portable radio, protective vest and plates, firearms (handgun and rifle), duty ammunition, TASER, uniforms, leather and footwear, flashlight, handcuffs, and tourniquet), (4) new-officer training costs (including, but not limited to, Basic Peace Officer's Academy, field training, penal code and books, firearms qualification, and academy ammunition), (5) incumbent-officer training (including, but not limited to, continuing education, yearly weapons proficiency, training ammunition, and training programs and schools (subchapter F of chapter 1701 of the Occupations Code), (6) special training (subchapters I and M of chapter 1701), (7) law-enforcement-liability insurance, and (8) property and liability insurance related to vehicles. The County's costs may also include indirect costs attributable to the cost of the County's performing under this Agreement.

The County's fiscal year is October 1 to September 30. The Commissioners Court has traditionally adjusted employee compensation (1) for pay-for-performance, which becomes effective Oct. 1, and (2) wage movement, which becomes effective in the first pay period after Jan. 1. The Commissioners Court determines the adjustments each year, and they have ranged from about one to five percent, but may be more or less. The County will include such adjustments in the fees here.

For all fees under section 6, the County will calculate the fee with a transparent method and provide both the method of calculation and supporting data to the District. A particular fee's calculation may involve disclosure of confidential information about law-enforcement methods, and the District will reasonably cooperate in how it learns about this information (*e.g.*, an in-person

meeting or conference call versus the production of documents or computer data) and will protect copies of confidential information under section 19.

(f) Enhanced or Dedicated Patrol Services. The Patrol Section of the Sheriff's Office regularly patrols each patrol district of the unincorporated area in the County 24 hours a day, seven days a week, consistent with deputy staffing and resources and law-enforcement demands. These patrol deputies respond to calls for service and patrol within the district, although they also assist other deputies or law-enforcement officers in other districts as needed.

As the District grows, the District may want to discuss obtaining enhanced patrol services from the County. "Enhanced patrol services" means a level of patrol services above the baseline services provided by the Patrol Section in the County generally, such as more frequent patrols in the District's boundaries. The Patrol Section would need more sheriff's deputies, vehicles, and equipment to provide enhanced patrol services. The parties would have to discuss the level of any such enhanced patrol services and related fees.

At some point, the District may want to discuss obtaining dedicated patrol services from the County. "Dedicated patrol services" means having patrol deputies dedicated to patrolling solely within the District's boundaries on a schedule. The Patrol Section would need more sheriff's deputies, vehicles, and equipment to provide dedicated patrol services. The parties would have to discuss the level of any such dedicated patrol services and related fees. While dedicated patrol services would require substantially higher fees (*e.g.*, under constraints such as the FLSA and the County's leave and benefits policies, it takes multiple deputies to provide 24×7 coverage ($24 \text{ hours/day} \times 7 \text{ days/week} = 168 \text{ hours/week} / 40 \text{ hours in a standard work week} = 4.2 \text{ deputies}$ before allowing for personal time off and other unavailable-for-duty reasons)), the costs may be substantially less than opening an independent police department.

(g) Dedicated Patrol Services at Certain Benchmarks. Under Section 7938A.0104, Special District Local Laws Code, the County will provide patrol services at these personnel levels:

1. When the number of single-family residential units in the District that are connected to and receiving service from the District's water-supply system on or before the twentieth day of the immediately preceding month reaches 350 units, the County will provide two peace officers to provide patrol services within the District's boundaries for the officers' full-time work or duty schedules.
2. For every 400 additional single-family residential units connected to and receiving service from the District's water-supply system on or before the twentieth day of the immediately preceding month, the County provide one additional peace officer to provide patrol services within the District's boundaries for the officer's full-time work or duty schedule.
3. For the addition of each combination of every other type of facility, including multi-family

residential buildings and commercial and non-commercial facilities, including restaurants, shopping centers, parks, schools, and houses of worship, that generates another 100 calls for service per month, then the County will provide one additional peace officer to provide patrol services within the District's boundaries for the officer's full-time work or duty schedule.

A "residential unit" means any building or part of a building designed for occupancy by one family.

A "peace officer" means an officer licensed under Chapter 1701, Occupations Code, with a commission or appointment carried by a qualifying agency.

"To provide patrol services" includes all reasonably necessary equipment and training for a peace officer to provide patrol services, including a patrol vehicle.

"Full-time work or duty schedule" means an officer's complete work schedule under the FLSA before eligibility for overtime or comp time under 29 CFR Part 553, less the reductions in this duty time under Collin County's personal-time-off or other leave policies, or short periods away from duty for attending mandatory training, answering emergency calls, or assisting other peace officers as required.

Once a contract year, the parties may reevaluate the measure of 100 additional calls for service per month and adjust the number to better address and staff the patrol duties in the District. "Another 100 calls for service" means calls outside those generated by the single-family residences.

(h) Requests or Special Events. A special event is an occurrence outside of normal activity that takes place to provide a specific activity or experience. Examples include a festival, a concert or other performance, a parade, a contest like a running or bicycle race, or a protest or march.

In connection with a special event, the District may request law-enforcement services from the Sheriff's Office over and above those usually provided under this Agreement. If so, then the District will confer with the Sheriff's Office's liaison (section 11) about appropriate security and level of services. The Parties will negotiate the level of services and the related fee. The fee will be designed to provide the County with fair compensation under section 791.011(e) of the Government Code. The fee will be based on the cost of deploying sheriff's deputies, vehicles, and equipment to the event, including employee compensation, overtime, gas, travel, and costs of handling related calls for service (call answering and incident handling).

In setting the fee, the County may consider relevant factors, such as whether an event is commercial or designed to generate a private profit or non-commercial (community or charitable), whether an event is related solely or chiefly to the exercise of First Amendment or similar rights that generates no profit. The County may discount the fee for some events. In any event, the fee will be designed to ensure that a private person or entity does not earn a profit at the County's public expense (or with a public subsidy).

(i) Risk Assessments. The North Texas Fusion Center assesses risks associated with public special events. The District may request such a risk assessment. The Parties will negotiate a fee designed to provide the County with fair compensation based on the cost of performing the assessment. Elements of cost include a deputy's or intelligence analyst's compensation, overtime, IT costs, and fees for database access. Social-media or other monitoring involves separate costs.

(j) Liquidated Damages. If the District contracts for enhanced or dedicated patrol services or if the County provides dedicated patrol services under section 6(g), the County will make a substantial investment by hiring and training new deputy sheriffs to provide those services or by reassigning current deputy sheriffs to provide the services and hiring new deputy sheriffs to backfill. The compensation for these deputy sheriffs may fall within the scope of SB 23, 87th Legislature, Reg. Sess. 2021 (Local Gov't Code, Chapter 120). If the District terminates the relevant contract or otherwise reduces the number of deputy sheriffs providing enhanced or dedicated services (including by materially breaching the agreement and forcing the County to terminate), then the District will pay the County liquidated damages. Liquidated damages will equal the total compensation (salary and benefits) for each deputy sheriff removed from the enhanced or dedicated services multiplied by three (approximately three years' of compensation). At FY22 levels (before any changes made after January 1, 2022), this amount would be approximately \$700,000 (full compensation of \$83,148 + \$29,334 = \$112,482 x 2 deputies x 3 years = \$674,892). This calculation is a reasonable forecast of just compensation in light of the County's investment and its lessened authority to adjust its budget under SB 23 (87(R)).

Section 7. Covenant Regarding Monthly Fees. The District will impose the requisite mandatory monthly fee on District customers throughout this Agreement's term.

Section 8. Compliance with Laws. Each Party will comply with all federal, state, and local laws and regulations applicable to its conduct. A Party's violation of a law that affects the Parties' relationship or rights under this Agreement is a breach of this Agreement as well. Each party represents that the persons signing for it have the proper authority under Section 791.011(d)(1), Gov't Code.

Section 9. Termination and Default. Following the Effective Date, either Party may terminate this Agreement before the end of the first contract year or any subsequent renewal term, with or without cause, upon providing at least 30 days' advance written notice prior to the end of the then current contract year to the other Party. Either Party may declare a default hereunder if either Party fails, refuses, or neglects to comply with any of the Agreement's terms. If a Party declares a default of this Agreement, this Agreement will terminate after notice and opportunity to cure as provided for herein. The Party declaring a default shall notify the other Party of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default, and the Party shall have 30 days from the receipt of such notice to cure any default (except when curing the default requires activity over a period of time in excess of 30 days, performance shall commence

within 30 days after the receipt of notice, and such performance shall be diligently continued until the default is cured).

Section 10. Attorney's Fees. In the event of a lawsuit or any form of ADR between the Parties over an alleged breach of this Agreement, each Party will bear its own attorney's fees and costs.

Section 11. Sheriff's Office's Liaison Officer. The District may contact the Chief of Operations in the Sheriff's Office, 972.547.5100, as the County's liaison officer for purposes of discussing services or making requests under this Agreement. As of October 1, 2021, Chief Mitch Selman holds this position.

Section 12. Notice. All notices shall be in writing and given by (1) email with receipt determined by the date sent, or (2) certified mail with return receipt requested, with receipt determined by the date of the signed receipt. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purpose of notice, the addresses of the Parties shall, unless changed as hereinafter provided, be as shown as follows:

If to District: East Collin County Municipal Utility District No. 1
c/o Sanford, Kuhl, Hagan, Kugle, Parker, Kahn, LLC
Attention: Darsey Norton
1980 Post Oak Boulevard, Suite 1380
Houston, Texas 77056
Email: *dnorton@sklaw.us*

If to County: Collin County Judge
Collin County Administrator
Collin County Administration Building
2300 Bloomdale Rd., Suite 4192
McKinney, Texas 75071

The Parties shall have the right to change their respective addresses and each shall have the right to specify their respective new addresses by at least 15 days written notice to the other party.

Section 13. No Additional Waiver Implied. No waiver or waivers of any breach or default or any breaches or defaults by either Party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other Party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 14. Assignment.

(a) Assignment by the District. The District has the right (from time to time without the consent of the County, but upon prior written Notice to the County) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the District under this Agreement, to

any agency, authority, or political subdivision of the state (a "District Assignee"). The District will notify the County of each proposed assignment, and the notice will include a copy of the proposed assignment document together with the name, address, telephone number, and email address of a contact person representing the District Assignee who the County may contact for additional information. Each assignment shall be in writing executed by the District and the District Assignee and shall obligate the District Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a District Assignee shall be provided to all Parties within 30 days after execution. From and after such assignment, the County agrees to look solely to the District Assignee for the performance of all obligations assigned to the District Assignee and agrees that the District shall be released from subsequently performing the assigned obligations and from any liability that results from the District Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the County within 30 days after execution, the District shall not be released until the County receives such copy of the assignment. No assignment by the District shall release the District from any liability that resulted from an act or omission by the District that occurred prior to the effective date of the assignment unless the County approves the release in writing. The District shall maintain written records of all assignments made by the District to District Assignees, including a copy of each executed assignment and the District Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

(b) No assignment by the District shall release the District from any liability that resulted from an act or omission by the District that occurred prior to the effective date of the assignment unless the County approves the release in writing.

(c) The District shall maintain written records of all assignments made by the District to District Assignees, including a copy of each executed assignment and the District Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

(d) Assignment by the County. The County has the right (from time to time without the consent of the District, but upon prior written Notice to the District) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the County under this Agreement, to any agency, authority, or political subdivision of the state (a "County Assignee"). Notice of each proposed assignment to a County Assignee shall be provided to the District at least 15 days prior to the effective date of the assignment, which Notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address of a contact person representing the County Assignee who the District may contact for additional information. Each assignment shall be in writing executed by the County and the County Assignee and shall obligate the County Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of

each fully executed assignment to a County Assignee shall be provided to all Parties within 30 days after execution. From and after such assignment, the District agrees to look solely to the County Assignee for the performance of all obligations assigned to the County Assignee and agrees that the County shall be released from subsequently performing the assigned obligations and from any liability that results from the County Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the District within 30 days after execution, the County shall not be released until the District receives such copy of the assignment. No assignment by the County shall release the County from any liability that resulted from an act or omission by the County that occurred prior to the effective date of the assignment unless the District approves the release in writing. The County shall maintain written records of all assignments made by the County to County Assignees, including a copy of each executed assignment and the County Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

(e) Encumbrance by the District and Assignees. The District and the District Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written Notice to, the County. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the County has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the County agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor district through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

Section 15. Modification. This Agreement shall be subject to change or modification only with the Parties' written consent. No party will attempt to enforce a purported amendment to this Agreement that is not properly documented and approved by each Party's governing body under section 791.011(d)(1) of the Government Code.

Section 16. Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this contract or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section or other part of this contract to other persons or circumstances shall not be affected thereby.

Section 17. Liability and Damages. Each Party will remain the employer of its own employees, principal to its own agents, and owner of its own property. The Parties are not agreeing to act as co-employers by virtue of this Agreement alone.

A Party will not be liable to the other Party for claims or damages arising from the acts or omissions of the Party's employees or contractors. A Party will **defend, indemnify, and hold harmless** the other Party for all claims and damages arising from the alleged acts or omissions of the Party's employees or contractors. This provision falls under subsection (b) to sections 5 and 7 of article XI of the Texas Constitution.

A Party will not sue the other Party for personal injuries or property damages resulting from the acts or omissions of the Party's employees or contractors, including (1) personal injury or property damage suffered by the Party or its own employees or contractors, or (2) personal injury or property damage suffered by persons who are not a party to this agreement. But this provision does not restrict a Party from suing the other Party for personal injuries or property damage that results from the acts or omissions of the other Party or its employees. If the injuries or damages arose from the acts or omissions of the other Party's contractor, however, then the Party may sue the contractor, not the member—except on a claim that the member is directly liable by reason of an exercise of actual control over a person or instrument that proximately caused the injury or damage. Also, this provision does not limit a Party's right to assert its third-party-practice rights, including the right to designate the other Party as a responsible third party, in the context of a claim by a person who is not a party to this Agreement.

This Agreement does not create any form of personal liability on the part of any official, officer, employee, or agent, who is an individual, of a Party.

If a person, who is not a party to this Agreement, files or asserts a claim against a Party to this Agreement, then the Parties will assert and pursue all immunity and other defenses against the claim. But each Party may also pursue its third-party-practice rights against the other Party in the context of a claim by a person who is not a party to this Agreement.

The Parties do not intend to create a claim or right for a person or entity who is not a party to this Agreement. But the Parties recognize that residents in the District will benefit from the Parties' performances under this Agreement.

A Party is entitled only to the benefit of its bargain under this Agreement. A Party is not liable to the other Party for *other* consequential, incidental, indirect, special, punitive, or exemplary damages or for damages that arise from special circumstances. A Party will not sue for such damages.

“Claims or damages” means all types of claims, demands, and disputes, and all types of damages, including personal injury, damage to real or personal property, fines or penalties, attorney’s fees, expert costs, litigation or ADR costs, and interest. “Acts or omissions” means all types, including those constituting negligence, gross negligence, any sort of misrepresentation, breach of contract, violation of statute, or other actionable conduct. “Third-party-practice rights” means all forms of third-party practice, including claims for contribution or indemnity, defenses (proportionate responsibility), and practice under Rules 34, 38, and 39 of the TRCP and chapters 32 and 33 of the TCPRC or their counterparts in other jurisdictions. This section’s rights and duties apply at all stages of a dispute or lawsuit.

Section 18. Interpretation and Integration. A court or other authority should interpret this Agreement so that the Parties receive the benefits of their bargain; that is, the District should receive customary and agreed-on levels and standards of Law-Enforcement Services and the County should receive fair compensation. Upon the Parties’ execution of this Agreement, this Agreement will constitute the entire agreement between the Parties as to the matters set forth here. If the parties sign other agreements, such as ones for Emergency Medical Services or other services as contemplated by the definition of Law-Enforcement Services in section 2 or a separate agreement for enhanced or dedicated patrol services under section 6(f), then a court or other authority may consider this and all other of the parties’ contracts in interpreting the Parties’ rights and obligations.

Section 19. Confidential Information. A party may designate specific information as confidential by a reasonable method, such as by including “confidential” at the bottom of a page or spreadsheet or on the cover of a separately bound document. A party may use this designation for information that is subject to a privilege like the attorney-client privilege, executive-session information, information falling under an exception in subchapter C of chapter 552 of the Government Code, or information that the party is obligated to protect under a contract. Certain information about the Collin County Detention Facility or critical infrastructure may be confidential. *See, e.g.,* Gov’t Code, § 423.0045; Tex. Att’y Gen. OR2015-22157; Tex. Att’y Gen. ORD 143 (1976). A party should not designate as confidential information that is publicly available or that constitutes public information under a government-transparency law, such as the Open Meetings Act or the Public Information Act, Gov’t Code, chapters 551 and 552.

A party will protect the other party’s confidential information by the same methods that it uses to protect its own. If a party intends to disclose the other’s confidential information to a contractor or representative, such as an attorney, subject-matter expert, consultant, or accountant, then the party will protect the information with a confidentiality clause in the relevant contract.

If a party uses confidential information in a court filing, then the party will use its best efforts to protect the information, such as by filing it under seal or agreeing to a protective order.

If a party believes that it may have to disclose the other's confidential information (*e.g.*, in response to a court order or subpoena), then the party will notify the other of the possible pending disclosure with enough information and sufficiently far in advance for the other party to take steps to protect its interests.

Section 20. Audit. During this Agreement and for three years after its expiration or termination, each party will maintain and produce to the other all records and data related to the party's performance under this Agreement, including the provision of Law-Enforcement Services and the information necessary to calculate the fees under section 6.

Each party will maintain and produce to the other all information necessary for the other party to comply with governmental or industry standards, such as GASB standards, related to accounting for this Agreement or transactions under it.

During this Agreement and for three years after its expiration or termination, both Parties will have the right to audit and examine any books, documents, files, records, or communications about all fees paid by the District or charged by the County under this Agreement. A party will give the other reasonable notice of its audits. Each party will bear its own costs relating to an audit.

Section 21. Body-Worn Cameras. If and when the Sheriff's Office implements a policy to equip patrol deputies with body-worn cameras, *see* Occupations Code, §§ 1701.651–1701.663, then the deputies who provide patrol services under this Agreement will receive the same equipment.

The County alone will be responsible for complying with state body-worn-camera law, including the provisions related to deputy training, policy, data retention, release of recordings or other information, and reporting. In an incident involving the District, the County and Sheriff's Office will provide the District's officials and the District's attorneys and experts with reasonable viewing of any relevant recordings—including those made by in-vehicle or body-worn cameras—consistent with investigative, law-enforcement, or criminal- or civil-defense requirements, including those in section 1701.660 of the Occupations Code. The Sheriff alone will make all decisions about public or other release of records, including decisions under sections 1701.661–1701.663 of the Occupations Code or the Public Information Act, Texas Gov't Code, chapter 552.

The County alone will retain all body-worn-camera property at this Agreement's end.

Section 22. Payments from Current Revenues. The Parties each agree that, in performing the governmental functions contemplated in this Agreement or in paying for the performance of those governmental functions, each party will make that performance or those

payments from current revenues legally available to that party. *See* Gov't Code, § 791.011(d)(3). The Parties each affirmatively find that the performance of this Agreement in the common interest of both parties, that undertaking this Agreement will benefit the public and that the division of responsibilities and costs associated with the Law-Enforcement Services to be provided hereunder fairly and adequately compensate the performing party for its services or functions performed under this Agreement.

Section 23. No Partnership, Agency, or Joint Venture. The Parties agree that the District is a separate and independent local government entity for purposes of this Agreement, that no partnership or joint venture is formed or agreed upon, and that at no time will the District's employees, agents or assignees be deemed for any purpose to be employees, agents or assignees be deemed for any purpose to be employees or agents of County and vice versa.

Section 24. Immunity. The Parties do not waive any form of immunity by signing this Agreement. Likewise, the parties do not create any obligations, expressed or implied, other than those set forth here. "Immunity" means all forms of a county's or political subdivision's immunity, including sovereign immunity, assigned burdens of proof, heightened standards of proof, notice and procedural protections, and limitations or caps under state or federal law, including those in the Texas Tort Claims Act (Texas Civil Practice & Remedies Code) and damages law (Texas Civil Practice & Remedies Code, chapter 41).

Section 25. Governing Law and Venue. Texas law will govern this Agreement, the parties' relationship, and claims and defenses arising from their relationship, regardless of a forum's choice-of-law rules. A state court located in Collin County or the U.S. District Court for the Eastern District of Texas will have exclusive jurisdiction.

Section 26. Counterparts and Photocopies. This Agreement may be executed in any number of counterparts. A Party may use a complete photocopy as if it were an original.

IN WITNESS WHEREOF, the County and the District have executed this Interlocal Cooperation Agreement for Law-Enforcement Services in multiple counterparts as of the date and year first listed above, to be effective on the Effective Date as specified in this Agreement.

**EAST COLLIN MUNICIPAL UTILITY
DISTRICT NO. 1**

By: Julianne B. Kugle
Name: Julianne B. Kugle
Title: Attorney for the District

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____
Date: _____

COUNTY OF COLLIN, TEXAS

By: [Signature]
Name: CHRIS HILL
Title: COUNTY JUDGE
Date: 3 MAY 2022

Executed on this 3RD day of MAY,
2022, by the County of Collin,
pursuant to Commissioner's Court
Order No. 2022-401-05-02

ATTEST:

[Signature]
Stacey Kemp, County Clerk