

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

**INTERLOCAL COOPERATION
AGREEMENT
FOR FIRE PROTECTION SERVICES, EMERGENCY
MEDICAL SERVICES, AND LAW-ENFORCEMENT
SERVICES**

THIS INTERLOCAL COOPERATION AGREEMENT FOR LAW-ENFORCEMENT SERVICES, FIRE PROTECTION SERVICES, AND EMERGENCY MEDICAL SERVICES (the "Agreement") is made and entered into on the 14 day of November, 2022, by and between the City of Princeton, Texas (the "City"), and LC Municipal Utility District No. 1 of Collin County (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, operating under the provisions of Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 7908A of the Texas Special District Local Laws Code; and

WHEREAS, the District is seeking to secure Fire Protection Services (as defined below), Emergency Medical Services (as defined below), and Law-Enforcement Services (as defined below) for the benefit of future residents and property owners within the District's boundaries, as described in the attached Exhibit "A"; and

WHEREAS, the City is willing to provide Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services to the land located within the boundaries of the District under the terms provided herein; and

WHEREAS, pursuant to Section 49.351, Texas Water Code, the District may contract with a municipality for the performance of all fire-fighting services within the District and may provide for the construction and purchase of necessary buildings, facilities, land and equipment and the provision of an adequate water supply; and

WHEREAS, pursuant to Section 49.216, Texas Water Code, the District may contract with a municipality to provide peace officers for law enforcement services within the District's territory;

WHEREAS, Section 49.212, Texas Water Code, authorizes the District to adopt and enforce all necessary charges or mandatory fees for providing or making available any district facility or service (including fire-fighting services); and

WHEREAS, the Board of Directors of the District has determined that it is in the best interest of the District to enter into an agreement with the City relative to providing Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services to the District; and

WHEREAS, the District and the City now wish to establish a formal agreement for the provision of Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services to the District.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the District and the City hereby covenant and agree as follows:

Section 1. Purpose. The purpose of this Agreement is to contract with the City to provide Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services to the residents and property in the District in return for payment of certain fees, in accordance with this Agreement.

Section 2. Definitions. In this Agreement:

"City" means the City of Princeton.

"District" means LC Municipal Utility District No. 1 of Collin County.

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

"Emergency Medical Services" or "EMS" means services regularly provided by Princeton to persons located within its corporate limits, and outside its corporate limits pursuant to contracts similar in nature to this Agreement, which services are used to respond to an individual's perceived need for immediate medical care and to prevent death or aggravation of physiological or psychological illness or injury.

"Fire Protection Services" means all fire suppression and rescue services regularly provided by Princeton to persons and property located within its corporate limits, and outside its corporate limits pursuant to contracts similar in nature to this Agreement, except for Emergency Medical Services, fire inspections of buildings and properties, public education services, code enforcement services and arson investigations.

“Full Cost of Service” means the City’s annual cost of providing all of the Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services. Full Cost of Service shall be calculated annually as part of the City’s budget process in the following manner and shall be equal to the aggregate of:

- (a) Direct recurring costs of the City’s Fire Department and Police Department as reflected in the City’s current annual budget, exclusive of direct costs for fire inspections of buildings and properties, public education services, code enforcement services, and arson investigations; [Ex. If the City’s fiscal year is FY22, the City’s FY22 budget is the current annual budget, and the direct recurring costs of the Fire Department and Police Department, as provided in this subsection, will be reflected in the FY21 budget for the District’s 2022 calendar year payments];**
- (b) Indirect and overhead costs attributed to the Fire Department and Police Department, which shall be comprised of prorated costs for management oversight, human resource services, accounting services, building use fees and legal services. Such indirect costs shall be calculated and prorated in the manner customarily used by Princeton for such purposes; and**
- (c) Indirect and overhead costs attributed to dispatch services, as reported by Princeton’s public safety dispatch system, which shall be calculated and prorated in the same manner as described above relative to indirect and overhead costs of the Fire Department and Police Department, and further prorated to reflect the percentage of all dispatch calls that are attributable to Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services.**

“Full Cost of Service Per Service Connection” means an amount equal to the Full Cost of Service divided by the number of Service Connections as of the end of the current fiscal year for the City. [Ex. If the City’s fiscal year is FY21, the City will use the Service Connections as of September 30, 2021, the prior fiscal year.]

“Law-Enforcement Services” means all typical and customary patrol and emergency response police services to the District including but not limited to: patrol, traffic, crime prevention, criminal investigation, special response team and all resources and equipment, as defined and quantified in the annual budget and policies adopted by the City, at the same level and to the same degree as are provided to the citizens of the City. The City’s Police Department will enforce the penal provisions of the laws of the State of Texas, Collin County and penal orders and ordinances as adopted by the District, in such a manner as to provide adequate police services considering factors that include but are not limited to housing densities, commercial development, geographical factors, roadway conditions, and traffic flows. The City will manage

the response time, priority of calls and the service provided by the City for the District in the same manner as within the city limits of the City. The City shall not be required to take enforcement action regarding non-emergency enforcement of the District orders or ordinances relating to animal control, building codes (including but not limited to weeds/tall grass, dangerous structures, and other nuisance property conditions), or fire codes, unless specifically required under a separate agreement. The City shall not be required under this Agreement to provide Law-Enforcement Services for any incident, report, or call which is routed to another agency for response by the City's emergency dispatch services provider.

"Parties" means the District and the City.

"Representative" means the person designated by the City or the District to serve as the contact person between the City and the District.

"Residential Unit" means any building or part of a building designed for permanent occupancy by one family. A detached single-family residential unit is one residential unit; a duplex is two residential units; and each living unit in an apartment complex is one residential unit.

"Service Connection" means either a Residential Unit or nonresidential unit that is connected to a potable water supply system servicing residents within Princeton or the potable watersupply systems servicing Residential Units or nonresidential units within the Service Area or anyother area for which Princeton provides Fire Protection Services.

"Service Area" means the area of land within the boundaries of the District, as depicted in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

"TCEQ" means the Texas Commission on Environmental Quality.

Section 3. Effective Date.

(a) The Parties recognize that before this Agreement becomes effective, the District must develop a fire plan, including a plan for emergency medical services, in accordance with Section 49.351, Texas Water Code, and the rules of the TCEQ (the "Plan"), submit the Plan to the TCEQ for its approval, obtain TCEQ approval, and the District call an election and obtain voter approval of the Plan and this Agreement. The District will use its best efforts to cause this Agreement and the Plan to be submitted to the TCEQ for approval and obtain voter approval of the Plan in accordance with the terms of this Agreement.

(b) This Agreement will take effect following (1) the adoption of an order by the District canvassing the results of the election approving the Plan and this Agreement, and (2) upon one (1) home being occupied within the boundaries of the District. The Parties agree that prior to both conditions outlined in this Section 3(b) being met that this Agreement will not take effect.

Section 4. Fire Protection Services.

(a) The City has an existing fire station. The City will operate and respond with sufficient personnel twenty-four (24) hours per day, seven (7) days per week during the term of this Agreement. The City owns and operates necessary equipment for the operation of its fire station, trucks and fire department. In providing Fire Protection Services to residents and property located in the District, the City shall be solely responsible for the operation and maintenance of the City fire station and equipment.

(b) The Parties acknowledge that in providing Fire Protection Services to the residents and property in the District, the City will use the fire hydrants, connections, and water distribution system located within the District ("Water Distribution System"), but the City shall not be responsible for providing for, constructing, inspecting, maintaining, or repairing any part of the Water Distribution System, and the City shall not be liable to the District or any District occupant, resident or property owner for any deficiency or malfunction of the Water Distribution System.

(c) During the term of this Agreement, the City will provide Fire Protection Services to persons, buildings, and property located within the District, including any land that is added to the District via annexation, upon notification to the City of final District action annexing any land. The City will provide Fire Protection Services to residents and property in the District in the same manner and with the same standard of care as it would to those residences and structures located in other areas of City coverage.

(d) The Parties acknowledge that the City must also respond to requests for Fire Protection Services in other areas outside the District and that the City has contracts to provide Fire Protection Services to other entities. In providing Fire Protection Services to the District, the City will follow its adopted standard operating procedures, subject to its sole discretion, without being in breach of this Agreement and without liability to the District or its occupants, residents, or property owners to determine: (1) whether Fire Protection Services are needed in a particular case; (2) whether and when personnel or equipment are available to respond to a request for Fire Protection Services; (3) the order in which to respond to requests for Fire Protection Services; and (4) the time in which to respond to a request for Fire Protection Services.

(e) The District assumes no responsibility for the reliability, promptness, or response time of the City. The District's sole obligation for provision of Fire Protection Services to its residents is to make payments as described below.

Section 5. Personnel.

The City shall provide all required personnel (current employees and current volunteers, and future employees and future volunteers) who meet, at least, minimum state qualifications to

perform the Fire Protection Services required by this Agreement. The District assumes no responsibility for the actions of the City's personnel in performing their fire protection duties. The District will make no recommendations and is in no way responsible for the selection, sufficiency or qualifications of the City's personnel.

Section 6. Emergency Medical Services.

(a) The Parties hereby agree that for and in consideration of the monies to be paid by the District, as hereinafter set forth, the City shall provide the District and its citizens and property owners EMS in accordance with all applicable federal, state, and local laws and regulations, including but not limited to those set forth in Chapter 773 of the Texas Health and Safety Code.

(b) During the term of this Agreement, the City will provide EMS to residents and property owners within the District, including, any land that is added to the District from time to time. The City will provide EMS 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 City coverage. Nothing in this Agreement shall preclude the City from meeting its EMS obligations hereunder by and through a contractual arrangement with a third-party duly licensed EMS provider.

(c) The District assumes no responsibility for the reliability, promptness, or response time of the City. The District's sole obligation for provision of EMS to its residents is to make payments as described below.

Section 7. 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 City 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 City 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 City 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 City coverage.

(c) The District assumes no responsibility for the reliability, promptness, or response time of the City. 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 8. Designated Representative.

Each party shall designate, in writing or by email, one individual to serve as the contact person between the District and the City ("Representative"). Each Representative will be responsible for communicating any concerns or complaints regarding policies, procedures,

and/or practices. The District acknowledges and agrees that laws governing patient privacy may prevent the City from disclosing information to the District or the District's Representative.

Section 9. Payment for Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services.

In partial consideration for the City providing the services covered under this Agreement, the District shall make a one-time payment of \$60,000.00 (sixty thousand dollars and zero cents) for an additional City patrol vehicle. The remainder of the District's consideration for the City providing the Fire Protection Services, Emergency Medical Services, and Law-Enforcement Services under this Agreement, shall be provided through to the City according to the following formula:

- (a) An amount equal to (A) the same cost per unit paid by each Residential Unit inside the city limits of Princeton for the Full Cost of Service Per Service Connection; (B) multiplied by the number of actual Service Connections within the Service Area for the calendar quarter immediately preceding the Service Connection Audit Date. The "Service Connection Audit Date" shall be the first day of the third month of the applicable calendar quarter. On or before March 15, June 15, September 15, and December 15 of each year, the District must submit a report to the City showing the number of actual Service Connections within the Service Area for the Service Connection Audit Date for the applicable calendar quarter. Increases to the Full Cost of Service shall be effective as of October 1 of each year and shall be based on the budget for the fiscal year in which the increase to the Full Cost of Service occurs. [For example, the Full Cost of Service commencing on October 1, 2022 shall be based on the budget for the 2021-2022 fiscal year effective October 1, 2021.] The City shall provide the District with sixty (60) days prior written notice of any annual increase in the Full Cost of Service.

Notwithstanding anything to the contrary herein, the first quarterly payment required under this Subsection (a) shall be prorated to reflect the percentage of the then-current calendar quarter remaining. The City will send an invoice to the District for each quarterly payment due under this Agreement within five (5) days of the Effective Date and on or before the first day of each calendar quarter thereafter (e.g., January 1, April 1, July 1, October 1). Except for the first payment required under this Subsection (a) (which such payment is due within ten (10) days of the Effective Date), the District's payment shall be due on the thirtieth (30th) day after the District receives the invoice. If this Agreement is

terminated during the course of a Term year, any outstanding District payment obligations shall be pro-rated according to the corresponding number of days of City service.

Section 10. Term. Once effective, the Agreement will continue in effect for three (3) years from the Effective Date under Section 3 (the "Initial Term") and shall be automatically renewed thereafter for successive one (1) year terms.

Section 11. Termination and Default. In the event the Fire Plan is not approved by the TCEQ and voters located within the District by December 31, 2025 then the City shall have the right to terminate this Agreement at any time up to the Effective Date. Following the Effective Date, either Party may terminate this Agreement after the expiration of the Initial Term, by giving the other Party written notice of termination at least six (6) months prior to the termination date. Either Party may declare a default hereunder if either Party fails, refuses, or neglects to comply with any of the terms of this Agreement. If a Party declares a default of this Agreement, this Agreement shall 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 thirty (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 thirty (30) days, performance shall commence within thirty (30) days after the receipt of notice, and such performance shall be diligently continued until the default is cured).

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: LC Municipal Utility District No. 1 of Collin County
 c/o Coats | Rose, P.C.
 Attention: Mindy L. Koehne
 14755 Preston Road, Suite 600
 Dallas, Texas 75254
 Email: *mkoehne@coatsrose.com*

If to City: City of Princeton
 2000 E. Princeton Drive
 Princeton, Texas 75407
 Attention: Tom Harvey, Fire Chief
 Email: *tharvey@princetontx.us*

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 fifteen (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. Modification. This Agreement shall be subject to change or modification only with the written mutual consent of the Parties hereto.

Section 15. 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 16. Assignment. The rights and obligations of the Parties hereunder may not be assigned without the prior written consent of the other Party hereto.

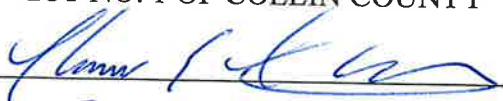
Section 17. Liability. The City shall not be liable to the District or any other person for its decisions in the manner or method of providing for Fire Protection Services, EMS, or Law-Enforcement Services under this Agreement. This Agreement is not intended to waive or alter any defense or immunity the City has under State law for claims arising from the performance of this Agreement, including the failure to provide or the method of providing Fire Protection Services, EMS, or Law-Enforcement Services under this Agreement.

Section 18. Entire Agreement. Upon execution of this Agreement by both of the Parties, this Agreement shall constitute the entire agreement between the Parties for the provision of Fire Protection Services, EMS, and Law-Enforcement Services.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the City and District have executed this Fire Protection Agreement in multiple counterparts as of the date and year first listed above, to be effective on the Effective Date as specified in this Agreement.

LC MUNICIPAL UTILITY
DISTRICT NO. 1 OF COLLIN COUNTY

By: 

Name: Thomas E. Coltrano

Title: President

Date: November 9, 2022

CITY OF PRINCETON, TEXAS

By: Brianna Chacón
Name: Brianna Chacón
Title: Mayor
Date: 11-15-22



EXHIBIT "A"

BEING 109.980-acres located in the E.M. Woods Survey, Abstract No. 960, Collin County Texas, being all of that called 110.034 acre parcel described in General Warranty Deed to Kayasa Family, LTD, as recorded in Instrument No. 201501140004480, Official Public Records Collin County Texas, (O.P.R.C.C.T.) and being more particularly described as follows:

BEGINNING at a Mag Nail found in the center of County Road 400 (CR 400) (a prescriptive roadway) for the northwest corner of said Kayasa Family parcel, same being northeast corner of Tract 1 as described in Deed in Lieu of Foreclosure to George W. Bowen recorded in Instrument No. 20090330000362370, O.P.R.C.C.T.;

THENCE S 88°38'34" E with the center of said CR 400, a distance of 1,454.42 feet to a found 1/2-inch iron rod for the northeast corner of the herein described tract, and the northwest corner of that parcel described in Warranty Deed to Texas-New Mexico Power Company recorded in Instrument No. 20070105000026530, O.P.R.C.C.T.;

THENCE leaving said roadway and with the east line of the herein described tract as follows:

S 01°20'43" E, a distance of 871.17 feet to a found iron rod with cap marked "BGT" for the southwest corner of said Texas-New Mexico tract, the northwest corner of that parcel described in Special Warranty Deed to Suncrest Princeton Partners, Inc. recorded in Instrument No. 20180215000185810, O.P.R.C.C.T.;

S 02°09'00" W, a distance of 1,053.31 feet to a found 1/2-inch iron rod with cap marked "JBI" for the southwest corner of said Suncrest Princeton Partners tract and the northwest corner of that parcel described in Executrix's Special Warranty Deed to Testamentary Trust to Dan Dowell Credit Trust as recorded in Instrument No. 20150105000011710, O.P.R.C.C.T.;

S 02°05'02" W, a distance of 1,147.48 feet to a found 3/8-inch iron rod, for the southeast corner of the herein described tract;

THENCE N 88°47'50" W with a northerly line of said Dowell tract, a distance of 1,747.94 feet to a found 3/8-inch iron rod for the northwest corner of said Dowell tract on the east line of that parcel described in Special Warranty Deed to Shultz-Branch, Ltd. recorded in instrument No. 20121229001661240, O.P.R.C.C.T.;

THENCE N 01°59'43" E with said east line, 986.49 feet to the northeast corner of said Shultz-Branch parcel, being on the south line of Tract 2 as described in Deed in Lieu of Foreclosure to George W. Brown recorded in Instrument No. 20090330000362370, O.P.R.C.C.T.;

THENCE S 89°01'19" E with said south line, a distance of 296.61 feet to a found 1/2-inch iron rod for the southeast corner of said Tract 2;

THENCE N 00°38'32" E with the east line of said Tract 2 and the aforesaid Tract 1, a distance of 2,087.82 feet to the POINT OF BEGINNING, and containing 109.980 acres, more or less.