



**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
BOARD OF DIRECTORS**

**SPECIAL SESSION JOINT MEETING WITH
TOWN OF TROPHY CLUB TOWN COUNCIL**

**1 TROPHY WOOD DRIVE
TROPHY CLUB, TEXAS 76262**

Wednesday, June 18, 2025

4:00 P.M.

EOC Room Town Hall

SPECIAL SESSION JOINT MEETING

CALL TO ORDER AND ANNOUNCE A QUORUM

CITIZEN COMMENTS

This is an opportunity for citizens to address the Board on any matter whether or not it is posted on the agenda. The Board is not permitted to take action on or discuss any comments made to the Board at this time concerning an item not listed on the agenda. The Board will hear comments on specific agenda items prior to the Board addressing those items. You may speak up to four (4) minutes or the time limit determined by the President or presiding officer. To speak during this item, you must complete the Speaker's form that includes the topic(s) of your statement. Citizen Comments should be limited to matters over which the Board has authority.

REGULAR SESSION

1. Discussion and possible action regarding the Fire Protection Services Fiscal Year 2026 Budget.

[attachment: Draft Fire Budget FY2026](#)

2. Discussion and possible action regarding the Interlocal Cooperation Agreement for Administration of Fire Protection Services.

[attachment: Draft ILA for Administration of Fire Protection Services](#)

THE BOARD OF DIRECTORS RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY MATTERS LISTED ON THE AGENDA, AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 (PERSONNEL MATTERS), 551.076 (DELIBERATIONS ABOUT SECURITY DEVICES), AND/OR 418.183 (HOMELAND SECURITY).

ADJOURN

FY 2026 PROPOSED FIRE BUDGET

Description	FY 2024 Actual	FY 2025 Actuals as of 5/28/2025	FY 2025 Adopted	FY 2025 Amended	FY 2025 Year End Projected	FY 2026 Proposed
Revenues - Town						
Assessment - Emergency Services	535,402		572,690	572,690	572,690	-
Fire Permits/Sprinkler & Plan Review	13,942		5,000	5,000	5,000	5,000
Denton/Tarrant County Pledge - Fire	10,700		10,000	10,000	10,000	10,000
Revenues - MUD						
Property Taxes/MUD Fire	1,317,014	1,340,048	1,398,028	1,398,028	1,398,028	2,039,693
Property Taxes/Fire - Delinquent	(3,025)	(2,546)	-	-	-	-
Property Taxes/Fire P&I	6,531	731	-	-	-	-
Prior Year Reserves			184,800	184,800	184,800	-
Total Revenue	1,935,927	1,338,234	2,170,518	2,170,518	2,170,518	2,054,693

Expenses - Town 50%/MUD 50%						
Salaries - Regular	953,865	615,125	1,001,354	1,001,354	1,001,354	1,005,696
Salaries - Part Time	35,275	22,655	50,000	50,000	50,000	50,000
Salaries - Overtime	141,629	91,399	125,008	125,008	125,008	125,000
Salaries - Longevity	7,503	7,634	8,515	8,515	7,634	7,406
Certification Pay	10,449	6,294	11,250	11,250	11,250	10,650
Salaries - Cell Phone Stipend	1,366	828	1,350	1,350	1,350	1,350
Salaries - Payout/Separations	-	6,087	4,258	4,258	6,087	10,000
Retirement	148,600	96,641	148,657	148,657	148,657	153,999
457 Contributions	-	-	-	-	-	2,000
Medical Insurance	85,995	55,570	87,481	87,481	90,000	96,994
Dental Insurance	7,999	5,124	8,400	8,400	8,500	8,495
Vision Insurance	1,761	1,082	1,760	1,760	1,790	1,852
Life Insurance & Other	5,637	3,448	4,116	4,116	5,000	8,201
Social Security Taxes	69,908	44,373	69,312	69,312	69,312	69,451
Medicare Taxes	16,343	10,365	16,210	16,210	16,210	16,243
Unemployment Taxes	223	1,009	2,520	2,520	1,185	2,520
Workman's Compensation	21,494	12,924	67,300	67,300	67,300	57,237
Pre-Employment Physicals/Testing	-	524	1,000	1,000	1,000	1,000
Tuition Reimbursement	4,651	2,512	5,000	5,000	5,000	7,875
Professional Outside Services	-	-	1,750	1,750	1,750	1,850
Physicals/Testing	5,210	58	7,000	7,000	7,000	6,250
Recruitment	-	-	5,000	5,000	5,000	5,000
Software & Support	11,283	10,404	10,197	10,197	10,197	10,915
Tax Administration	1,520	-	1,600	1,600	1,600	2,150
Advertising	-	-	200	200	200	100
Printing	747	-	1,100	1,100	1,100	1,100
Schools & Training	9,757	3,677	19,900	19,900	19,900	19,900
Electricity	8,889	4,973	8,820	8,820	8,820	9,000
Water	4,288	1,999	4,000	4,000	4,000	4,500
Communications/Mobiles	15,851	9,987	16,691	16,691	16,691	17,191
Building Maintenance	23,373	18,842	30,000	30,000	30,000	31,000
Vehicle Maintenance	57,823	11,217	51,500	51,500	51,500	51,500
Equipment Maintenance	11,313	6,803	19,500	19,500	19,500	19,500
Kitchen/Janitorial Supplies	-	1,832	7,200	7,200	7,200	7,200
Emergency Management	1,000	1,000	1,000	1,000	1,000	1,000
Dispatch - Denton County	5,622	5,224	5,224	5,224	5,224	4,953
Copier Rental/Lease	1,471	1,292	3,693	3,693	3,693	2,000

Description	FY 2024 Actual	FY 2025 Actuals as of 5/28/2025	FY 2025 Adopted	FY 2025 Amended	FY 2025 Year End Projected	FY 2026 Proposed
Dues & Memberships	26,647	30,653	30,000	30,000	30,000	39,928
Travel & per diem	11,000	8,947	14,510	14,510	14,510	14,510
Office Supplies	458	82	500	500	500	500
Printer Supplies	120	-	1,000	1,000	1,000	500
Postage	196	240	100	100	100	100
Publications/Books/Subscrip	105	707	350	350	350	350
Fuel	8,928	3,647	12,225	12,225	12,225	10,000
Uniforms	6,302	4,298	9,133	9,133	9,133	9,250
Safety Equipment/Protective Clothing	39,563	3,475	40,000	40,000	40,000	40,000
Small Equipment	3,364	2,285	4,000	4,000	4,000	4,000
Hardware	54	66	4,000	4,000	4,000	3,500
Maintenance & Supplies	1,075	547	1,500	1,500	1,500	1,500
Miscellaneous Expense	763	735	3,303	3,303	3,303	2,500
Programs & Special Projects	10,293	5,555	16,000	16,000	16,000	16,000
Capital Outlays	6,332	-	-	-	-	218,000
Expenses - MUD 100%						
Rent And/or Usage	200,771	199,211	199,211	199,211	199,211	192,650
Insurance	24,560	18,592	26,820	26,820	26,820	29,400
Capital Outlays	81,420	-	-	-	-	-
Total Expense	2,092,793	1,339,942	2,170,518	2,170,518	2,173,664	2,413,766

Total Fire Revenues	\$ 1,935,927	\$ 1,338,234	\$ 2,170,518	\$ 2,170,518	\$ 2,170,518	\$ 2,054,693
Total Fire Expenses	\$ 2,092,793	\$ 1,339,942	\$ 2,170,518	\$ 2,170,518	\$ 2,173,664	\$ 2,413,766
Net Budget Surplus (Deficit)	\$ (156,866)	\$ (1,708)	\$ -	\$ -	\$ (3,146)	\$ (359,073)

Town/MUD Fire Contract Calculation	FY 2025			FY 2026
Fire Budget	2,170,518			2,413,766
Less: Rent/Debt Service	199,211			192,650
Less: TML Fire Insurance	26,820			29,400
Less: Capital Outlays	-			-
Less: GASB34/Reserve for Replacement	-			-
Less: ESD Assessment	572,690			-
Less: Fire Permits/Sprinkler	5,000			5,000
Less: Fire Inspections	-			-
Less: Denton County Fire Pledge	10,000			10,000
Annual transfer to Town from MUD/Fire Budget	\$ 1,356,797			\$ 2,176,716
Monthly payment to Town	\$ 113,066			\$ 181,393

INTERLOCAL COOPERATION AGREEMENT
FOR ADMINISTRATION OF FIRE PROTECTION SERVICES (20252023)

THIS AGREEMENT is made and entered into as of the Effective Date, 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**”.

W I T N E S S E T H:

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 are parties ~~to the that entered into an Interlocal Cooperation Agreement for Administration of Fire Protection Services on October 1st, 2023 existing Interlocal Cooperation Agreement for Administration of Fire Protection Services that expires on September 30th, 2023 (the “Prior ILA”)~~ which set forth certain terms and conditions of the parties relating to Fire Protection Services (as hereinafter defined) to residents of District and Town, including to residents of the Trophy Club Public Improvement District No. 1 (hereinafter also referred to as the “**PID**”); and

WHEREAS, the PID has been ~~consolidated~~incorporated into the boundaries of the District; and

~~**WHEREAS**, the PID is not located within the boundaries of the District and is not a party to this Agreement; and~~

~~**WHEREAS**, Town, whose council also serves as the board of directors for the PID, anticipates receiving payment, if any, from the PID to pay part of the Fire Protection Services through the collection of special assessments levied under Texas Local Gov’t Code Ch. 372 (the “PID Act”); and~~

WHEREAS, the provision of Fire Protection Services is a governmental function that serves and benefits the public health, safety, and welfare of Town, District, and the general public, 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 Protection Services pursuant to Section 49.351 of the Texas Water Code, and Town is individually authorized to perform Fire Protection Services pursuant to its police powers and the parties desire to enter into this Agreement regarding the performance of Fire Protection Services; 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; and

WHEREAS, Town and District have determined it necessary and appropriate to enter into this Agreement for the administration of Fire Protection Services, which supersedes the Prior ILA for Fire Protection Services.

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 and 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 remain in full force and effect for a period of one (1) year from the Effective Date, and shall automatically renew each year thereafter for four (4) additional one (1) year renewal periods, unless written notice of nonrenewal is given no later than ninety (90) days prior to the expiration of the applicable one (1) year renewal period, or unless terminated 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. “Effective Date”** shall mean October 1, ~~2025~~2023.
- B. “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 an automatic or mutual aid agreement to provide fire protection services and those persons located within the fire district as designated by Denton County or Tarrant County and accepted by Town and/or District.
- C. “Emergency Medical Services”** shall mean any and all of the customary and usual activities of trained paramedics providing emergency health care services.
- D. “Fire Protection Services”** shall mean any and all of the customary and usual

activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, administration, fire-fighting activities, “fire-fighting services” as defined in Texas Water Code Ch. 49, and all other related fire functions.

- E. “Maximum Annual Payment Amount”** means the maximum total payment that may be made by District to Town each year to pay District’s proportionate share of funding for the cost of Fire Protection Services in accordance with this Agreement and the Act. The Maximum Annual Payment Amount shall be the amount of revenues available to District from the levy of a fire tax without triggering the Voter Approval Tax Rate. District shall not be contractually obligated to levy, or collect, a tax to pay the Maximum Annual Payment Amount to Town in any fiscal year beyond the then current fiscal year; however, District shall be contractually obligated to fund its proportionate share of the cost of Fire Protection Services in accordance with this Agreement and the Act, and in all cases, the maximum annual payment obligation of District to Town under this Agreement shall be limited to the final Approved Budget by the Board of Directors of District and the Town Council of Town, or any amendment to the Approved Budget by the Board of Directors of District and the Town Council of Town.
- F. “Voter Approval Tax Rate”** shall have the meaning set forth in Section 49.23602(a)(4) of the Texas Water Code.

III. Budget and Funding

3.1 Budget and Funding Matters:

- A. Budget Preparation:** The parties agree to the following schedule of events for purposes of preparation of an annual budget for funding Fire Protection Services:
- i. Town shall prepare a preliminary draft budget for Fire Protection Services and furnish that draft budget to District on or before June 1st of each year. The preliminary draft budget shall specify all projected revenues and expenses relating to Fire Protection Services for the next fiscal year and shall separately identify the expenses for which District is responsible for payment in accordance with the funding provisions of this Agreement.
 - ii. District shall provide initial comments and requested modifications to the preliminary draft budget to Town on or before June 30th of each year.
 - iii. After receipt of preliminary appraised value information from Denton and Tarrant Counties, but no later than June 30th of each year, District will provide to Town a preliminary estimate of the Maximum Annual Payment Amount.
 - iv. Within seven (7) days after receipt of certified appraised value information from Denton and Tarrant Counties, District will provide to Town the Maximum

Annual Payment Amount. To the extent District is aware of any obligations or circumstances that would prevent District from funding the Maximum Annual Payment Amount, District shall furnish such information and the best estimate of available funding to be incorporated into the preliminary draft budget for Fire Protection Services.

v. Representatives of Town and District shall cooperate in good faith to revise and finalize a preliminary draft budget for Fire Protection Services for subsequent consideration by the governing bodies of Town and District to adopt the final approved budget for Fire Protection Services (the "Approved Budget").

vi. The governing bodies of Town and District may, but shall not be obligated to, meet before August 1st of each year (or such other date approved by the parties) to discuss the preliminary draft budget.

vii. Each party shall adopt a fiscal year budget in accordance with their respective statutory obligations. Notwithstanding Sections 3.1.B.ii. and 3.1.B.iv., the Approved Budget may not allocate to District an annual payment obligation that exceeds the Maximum Annual Payment Amount as furnished by District to Town based on final certified appraised values in District, or that includes any costs for which Town is responsible for payment under this Agreement.

~~In order to facilitate the emergency services assessment for the PID pursuant to the annual Service and Assessment Plan ("SAP"), District shall provide information to Town concerning outstanding District debt, lease, and reserves related to Fire Protection Services as reasonably requested by Town.~~

viii. The Parties agree that any amendments to the Approved Budget must be made using the same process described herein, and no amendment to the Approved Budget may be made unless each party's respective governing bodies agree and approve such amendment.

B. Funding Obligations: District and Town shall share the funding of 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; and, under no circumstance shall District's share of funding costs during any fiscal year exceed the Maximum Annual Payment Amount or the budgeted expenses approved by District, unless approved in writing by District. Such funding shall be accomplished in accordance with the following terms and conditions:

i. District shall continue to pay all debt service for debt previously incurred by District for Fire Protection Services for as long as the debt remains outstanding.

ii. District shall **fund 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons.

iii. Town shall **fund the remaining 50% of all budgeted and amended**

budgeted costs of personnel providing Fire Protection Services to Eligible Persons. During the term of this Agreement, Town will not increase the number of current personnel providing Fire Protection Services to Eligible Persons, unless otherwise required by law, and District shall not be responsible for Town's increase, if any, in the number of current personnel providing Fire Protection Services to Eligible Persons.

iv. District shall fund **100% of budgeted and amended budgeted costs of services and supplies** associated with Fire Protection Services.

~~In recognition that Fire Protection Services shall be provided to persons and properties located within Town and the PID, but not within District, the Town, acting through the PID, may levy and collect an annual assessment on and collect from the owners of real property and taxable improvements thereon located within the PID, but not within District, in accordance with the PID Act, as amended. Such assessment may be considered for adoption by Town Council, after recommendation by the PID, through the approval of the SAP for the PID. If the PID fails to levy an annual assessment, or fails to levy an annual assessment that would produce revenues equal to the revenues that would be generated based on the fire tax rate of District, the Parties agree that District is not obligated to provide Fire Protection Services within the PID and the Parties shall prepare a new annual budget for funding of Fire Protection Services in accordance with the provisions in Section 3.1.A. If the annual assessment collected by the PID is less than amount included in the Approved Budget, Town agrees to work in good faith with the PID to collect unpaid annual assessments.~~

v. Town shall pay for all Town imposed expenditures associated with Fire Protection Services that are not part of the Approved Budget, unless District pre-approves the expenditure in writing. By way of example, if Town approves salary increases or purchases equipment for Fire Protection Services (without District approval) outside of the Approved Budget, Town shall be solely responsible for funding such costs.

vi. District agrees in good faith to communicate to Town the intent to use District's operating reserve funds not part of the Approved Budget that would reduce the District's operating reserve fund balance below twenty-five percent (25%).

vii. District agrees to communicate the intent to create new debt related to Fire Protection Services allowing Town the option to fund the expenditure prior to the debt being issued.

viii. By the 10th of each month the Town shall provide to District a report on the Approved Budget that compares budgeted costs to actual costs and explains the reasons for any differences between budgeted and actual costs.

C. Payment: Payments from District for the purpose of Fire Protection Services shall

be paid to the Town on a ~~bi-annual~~monthly basis ~~by the end of February and September~~. The ~~bi-annual~~monthly payments shall constitute the entirety of the Approved Budget for District's payment ~~to be paid~~divided by twelve (12) months, ~~minus total PID assessments actually collected~~ for Fire Protection Services, beginning on October 1st and concluding on September 30th of each fiscal year of the term of this Agreement. Payments will become past due fifteen (15) business days after the invoice is received by the District.

It is the intent of District that the sole source of revenues for payment of District's funding obligations under this Agreement be District's fire tax.; however, in the event the fire tax received by District is insufficient to pay District's funding obligations under this Agreement, District may use other available funding sources. Under no circumstances shall District be obligated to pay an amount to Town during a fiscal year that exceeds the Maximum Annual Payment Amount or the amount of the Approved Budget for Fire Protection Services approved by Board of Directors of District, except as otherwise provided in this Agreement.

3.2 Audit, Revenues and Expenses:

- A. Annual Audit and Revenues:** Town shall conduct an annual audit at its sole cost by an independent auditor that identifies the actual fiscal year expenses and revenues for Fire Protection Services. The annual audit shall be furnished to District on or prior to May 1st of the subsequent year. By May 1st of each year, Town shall also identify and furnish to District a listing of all revenues, if any, related to Fire Protection Services (whether or not budgeted) for the prior year.
- B. Expense Detail:** Town shall furnish to District evidence of all expenses and costs relating to Fire Protection Services funded by District (in whole or in part) within fifteen (15) days after receipt of a request from District.
- C. Reconciliation Payment:** Overpayment. Any overpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be reimbursed by Town within thirty (30) days after receipt of a written invoice for payment from District.

Underpayment. Any underpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be paid to Town within thirty (30) days after receipt of a written invoice for payment from Town.

IV.

Operational Obligations and Rights of the Parties

- 4.1 District and Town Obligations and Rights:** District and Town shall perform all of their respective 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. 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 necessary to render Fire Protection Services to all Eligible Persons.
- D.** It shall be the responsibility and duty of Town, its officers and employees, within the sole discretion of such officers and employees, to determine priorities in the dispatching and use of such equipment and personnel to perform Fire Protection Services under this Agreement.
- E.** Town shall have the authority to enter into automatic and mutual aid agreements on behalf of District and Town to provide Fire Protection Services as deemed appropriate by Town.
- 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 may hire Fire Auditors of their choice to review physical Fire Department assets and operator practices on an annual basis for benefit of District and Town. All auditors' fees for such audits (excluding fiscal year financing audits) will be paid by the District.
- H.** The Town shall provide the District timely notice of any accident, damage, dangerous or defective condition relating to District assets under this Agreement.

V. Assets

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

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

VI. Employee Supervision and Organization

6.1 Control and Oversight: Town shall have control and oversight over Fire Protection Services and control and oversight over Emergency Medical Services. Town shall have exclusive authority to establish Standard Operating Procedures for Fire Protection Services and Emergency Medical Services (hereinafter collectively referred to as “SOPs”).

6.2 Benefits and Human Resources Services: In accordance with Town personnel policies, Town shall provide benefits and human resources services to all eligible employees providing Fire Protection Services. District shall provide funding as set forth in this Agreement. The parties understand and agree that on and after the Effective Date of this Agreement, all employees providing Fire Protection Services shall be Town employees and shall be solely subject to Town personnel policies and SOPs.

VII. Consideration

The parties agree that sufficient consideration for this Agreement exists and is found in the payments made pursuant to **Section III** of this Agreement and in the cross promises set forth above and other good and valuable consideration. District’s agreement to fund Fire Protection Services as provided in **Section III** above in exchange for Town’s agreement to oversee and manage Fire Protection Services for Eligible Persons as provided in **Section IV** above, shall serve as sufficient consideration under this Agreement. In accordance with the Act, 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: Without waiving any governmental immunity of Town, Town shall be responsible for its sole negligence and 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. Town shall maintain general liability insurance to cover Town owned or leased assets.

8.2 District Negligence/Insurance: Without waiving any governmental immunity of District, District shall be responsible for its sole negligence and 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.

8.3 Texas Government Code Section 791.006: The assignment of liability under this Agreement is made pursuant to Section 791.006 of the Texas Government Code, as amended, and the assignment of liability under this Agreement is intended to be different than liability otherwise assigned under Section 791.006(a) of the Texas Government Code.

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 and Termination

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

XI. Entire Agreement

This Agreement represents the entire and integrated agreement between Town and District and supersedes all prior negotiations, representations, and/or agreements, either written or oral, including the Prior ILA. 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, without regard for conflict of laws principles, and exclusive venue shall be in state district court 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 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 District Financial Audit**

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

**XVI.
Annual Appropriations**

Under no circumstances shall the obligations of the parties hereunder be deemed or construed to create any debt within the meaning of any constitutional or statutory provision, or to unlawfully approve the expenditure of funding beyond the applicable fiscal year; provided, however, without abrogating any police or legislative powers of the

respective parties, the parties agree during the term of this Agreement to make a good faith effort to appropriate funds necessary to pay for governmental functions and services under this Agreement as authorized by Texas law.

[The remainder of this page intentionally left blank.]

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 _____, 20252023.

TOWN OF TROPHY CLUB, TEXAS

By:

Title: Jeannette Tiffany
Date: Mayor

ATTEST:

By: _____
Name: _____
Title: Town Secretary / RMO

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

By:

Name: Kevin R. Carr
Title: President
Date: _____

ATTEST:

By: _____
Name: Doug J Harper
Title: Secretary/Treasurer

ACKNOWLEDGEMENTS

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

This instrument was acknowledged before me on the _____ day of _____, ~~2025~~2023 by Jeannette Tiffany, **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 _____, ~~2025~~2023 by Kevin R. Carr, **President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation district of the State of Texas, on behalf of said district.

Notary Public in and for the State of
Texas