

## INTERLOCAL AGREEMENT FOR PAYROLL SERVICES

This Agreement is made and entered into by and between **Williamson County, Texas**, hereinafter referred to as the "County," acting by and through its governing body, the Williamson County Commissioners Court and **The Meadows at Chandler Creek Municipal Utility District** (the "District"), a municipal utility district operating pursuant to Chapters 49 and 54 of the Texas Water Code. The District and the County are referred to collectively herein as the "Parties".

### RECITALS:

Pursuant to Texas Water Code Section 49.216, the District may contract with its own peace officers with the power to make arrests when necessary to prevent or abate the commission of any offense against the rules of the District when the offense or threatened offense occurs on any land, water, or easement owned or controlled by the District; any offense involving injury or detriment to any property owned or controlled by the District; and any offense against the laws of the state.

The District intends to retain and contract its own such Williamson County peace officers but has requested that County handle payroll matters relating to such contracted peace officers.

The predominant purpose of this Agreement is for the County to provide for payroll services on behalf of the District.

The parties stipulate that the purpose of this Agreement is the performance of governmental functions and services as set out in the Texas Government Code Section 791.003(3) (k) and (n).

The parties further covenant that all payments mandated by this Agreement do fairly compensate the County for the furnishing of the payroll services described herein.

**NOW THEREFORE**, The County and the District, in consideration of the mutual covenants and agreements herein contained, mutually agree as follows:

### I.

#### TERM

1.1 The services to be performed under this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_, and shall continue thereafter for one (1) year, unless terminated sooner in accordance with other provisions of this Agreement. **This Agreement may be renewed annually with the written consent of the County and the District, such consent being obtained by the parties at least thirty (30) days prior to the termination of the current term.**

## II.

### PAYROLL SERVICES

2.1 The District authorizes the County to process all payroll for Williamson County peace officers that are providing law enforcement services for the District, as well as act as the District's reporting agent for the limited purpose of signing and filing payroll tax reports and returns and remitting payroll taxes to the appropriate Federal authorities.

2.2 The District acknowledges that it shall maintain a County coordinator that shall be responsible for coordinating, maintaining and reporting the number of hours worked per month by Williamson County peace officers within the District to the Williamson County Auditor's Office. Once the County's coordinator reports the number of hours worked by Williamson County peace officers within the District, the County shall process payroll for each peace officer and perform the payroll tax obligations set forth above. The District shall not be obligated to pay the County any fees for coordination services.

2.3 The County shall pay the Williamson County peace officers that provide services within the District's area according to the County's payroll policies and procedures and the District approves of such policies and procedures.

2.4 For purposes of payroll processing, the following amounts shall be paid and withheld, on behalf of the District, by the County as a part of County's payroll services hereunder:

Officer Hourly Compensation*:	\$ 25.00
Officer Worker's Compensation Coverage:	<u>5%</u>

\*FICA shall be paid by the District.

2.5 Each month, the County shall send the District a payroll report, which adequately sets forth all payroll and all tax matters from the prior month. The District shall, within ten (10) calendar days of receiving such report, reimburse County for all amounts of payroll and taxes that were due and paid by the County in the prior month. The payroll reimbursement shall be tendered to the Williamson County Auditor's Office, Attn: Finance Director, 710 Main Street, Suite 301, Georgetown, Texas 78626.

2.6 As a portion of the consideration of this Agreement, the District's payment of the amounts in Section 2.4 shall serve as a sufficient amount that will cover workers' compensation coverage for the off-duty Williamson County peace officer that is performing services for the District and the County shall be obligated to provide such workers' compensation coverage for such peace officers.

### III.

#### SPECIAL CONSIDERATIONS

3.1 The District shall designate a District's liaison as its representative for the purpose of maintaining communication between the District and the County and its peace officers.

3.2 The Parties agree that the County is providing only administrative services in the form of payroll services and is not in any way providing any extra or additional law enforcement services to the District.

3.3 The Parties agree that the District may contract off-duty Williamson County peace officers pursuant Texas Water Code Section 49.216 pursuant to a separate agreement (a "Separate Agreement") by and between the District and off-duty Williamson County peace officers and that pursuant to the Separate Agreement, the Williamson County peace officers may, on behalf of the District, make arrests when necessary to prevent or abate the commission of any offense against the rules of the District when the offense or threatened offense occurs on any land, water, or easement owned or controlled by the District; any offense involving injury or detriment to any property owned or controlled by the District; and any offense against the laws of the state. The Parties agree that the County will not be a party to the Separate Agreement and, except as provided in Section 3.7, below, that such peace officer shall be acting as a contractor and/or agent of the District and not as an employee and/or agent of the County while the peace officer is performing services for the District under the Separate Agreement. Except as provided in Section 3.7, below, all Williamson County peace officers that provide such services to the District under a Separate Agreement will be acting in the course and scope of their contract with the District at all times and all issues relating to the scope, manners and/or means of performance by such peace officers, all of which shall be strictly between the peace officers and the District.

3.4 The undersigned Williamson County elected official (the "Elected Official") grants his/her consent to his/her peace officers to provide law enforcement services for the District while off-duty provided that such off-duty work does not interfere with the peace officers' duties as a full time employee of the Elected Official's office.

3.5 The District understands and agrees that if emergency circumstances arise during the time in which a Williamson County peace officer is providing off-duty law enforcement services for the District and such Williamson County peace officer must leave the District's area to respond to said emergency, the peace officer will be temporarily leaving the District's area and will not be paid by the District while responding to such emergency. When the emergency assignment is completed, the peace officer will return to the District's area and continue to provide the services contemplated by this Agreement and the District's obligation to pay for such services shall commence again upon the return of the peace officer.

3.6 The County shall provide auto liability insurance coverage for the County marked patrol car that is used by an off-duty Williamson County peace officer that is providing off-duty law enforcement services to the District.

3.7 The District shall be responsible for any liability that arises as a result of the peace officers' enforcement of District policies and regulations. In like manner, the County will

be liable for any liability that is covered by the workers' compensation coverage and auto liability insurance that is being provided by the County or for any liability that arises from the acts of the County's peace officers when such peace officers are enforcing state laws as a Texas peace officer.

#### **IV.**

##### **VEHICLE AND SERVICES FEE**

4.1 The District shall pay a monthly fee of Six Dollars (\$6.00) per peace officer hour in order to compensate the County for both (a) the payroll services performed pursuant to this Agreement; and (b) the vehicle fee for each hour that a County marked patrol car is used by an off-duty Williamson County peace officer that is providing off-duty law enforcement services to the District. For purposes of this Agreement, a "peace officer hour" shall mean one (1) hour of service that is performed by a Williamson County peace officer under such peace officer's agreement with the District.

4.2 The County shall invoice the District for the above described fee that has accrued for the prior month and the District shall pay, within ten (10) calendar days from the date of the invoice, all amounts due. All payments shall be made to the Williamson County Auditor's Office, Attn: Finance Director, 710 Main Street, Suite 301, Georgetown, Texas 78626. Interest charges for any late payments shall be paid by the District in accordance with Chapter 2251 of the Texas Government Code.

#### **V.**

##### **BREACH AND TERMINATION**

5.1 If either party commits an Event of Breach (a breach of any of the covenants, terms and/or conditions of this Agreement), the non-breaching party shall deliver written notice of such Event of Breach to the breaching party. Such notice must specify the nature of the Event of Breach and inform the breaching party that unless the Event of Breach is cured within thirty (30) days of receipt of the notice, additional steps may be taken to terminate this Agreement. If the breaching party begins a good faith attempt to cure the Event of Breach within thirty (30) days, then and in that instance, the thirty (30) day period may be extended by the non-breaching party, so long as the breaching party continues to prosecute a cure diligently to completion and continues to make a good faith attempt to cure the Event of Breach. If, in the opinion of the non-breaching party, the breaching party does not cure the breach within thirty (30) days or otherwise fails to make any diligent attempt to correct the Event of Breach, the breaching party shall be deemed to be in breach and the non-breaching party may, in addition to seeking any remedies available at law or in equity, terminate this Agreement.

5.2 Either party may terminate this Agreement prior to the expiration of the term set forth above, without cause, upon thirty (30) day's prior written notice to the other party.

## VI.

### NOTICE

6.1 Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been received by the appropriate Party at the following addresses:

To the County: Williamson County Judge  
710 Main Street, Suite 101  
Georgetown, Texas 78626

With a copy to the  
Elected Official: Williamson County Sherriff's Office  
Attn: James R. Wilson, Sheriff  
508 S. Rock Street  
Georgetown, Texas 78626

To the District: Severn Trent Services  
c/o The Meadows at Chandler Creek MUD  
14050 Summit Drive, Suite 113  
Austin, Texas 78728

With a copy to: McGinnis, Lochridge & Kilgore, L.L.P.  
Attn: Phil Haag  
600 Congress Avenue, Suite 2100  
Austin, Texas 78701

6.2 Any party may designate a different address by giving the other parties ten days' written notice.

## VII.

### MISCELLANEOUS PROVISIONS

7.1 No Third Party Beneficiaries. No term or provision of this Agreement is intended to, or shall, create any rights in any person, firm, corporation, or other entity not a party hereto, and no such person or entity shall have any cause of action hereunder.

7.2 No Other Relationship. No term or provision in this Agreement is intended to create a partnership, joint venture, or agency arrangement between the Parties.

7.3 Current Revenues. Pursuant to Section 791.011(d)(3) of the Texas Government Code, each Party performing services or furnishing services pursuant to this Agreement shall do so with funds available from current revenues of the Party.

7.4 Immunity. Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or in equity to the either party, their past or present officers, employees, or agents, nor to create any legal rights or claim on behalf of any third party. Neither party waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

7.5 Governing Law and Venue. The Parties agree that this Agreement and all disputes arising thereunder shall be governed by the laws of the State of Texas, and that exclusive venue for any action arising under this Agreement shall be in Williamson County, Texas.

7.6 Force Majeure. Notwithstanding any other provisions of this Agreement to the contrary, no failure, delay or default in performance of any obligation hereunder shall constitute an event of default or a breach of this Agreement if such failure to perform, delay or default arises out of causes beyond the control and without the fault or negligence of the Party otherwise chargeable with failure, delay or default; including but not limited to acts of God, acts of public enemy, civil war, insurrection, riots, fires, floods, explosion, theft, earthquakes, natural disasters or other casualties, strikes or other labor troubles, which in any way restrict the performance under this Agreement by the Parties.

7.7 Right to Audit. Both Parties agree that the other Party or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of the other Party which are directly pertinent to the services to be performed under this Agreement by such other Party for the purposes of making audits, examinations, excerpts, and transcriptions. The Parties agree that the other Party shall have access during normal working hours to all necessary facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The Party performing the audit shall give the other Party reasonable advance notice of intended audits.

7.8 Approval. This Agreement has been duly and properly approved by each Party's governing body and constitutes a binding obligation on each Party.

7.9 Assignment; Successors and Assigns. Except as otherwise provided in this Agreement, a Party may not assign this Agreement or subcontract the performance of services without first obtaining the written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of parties hereto and their respective successors and assigns.

7.10 Non-Appropriation and Fiscal Funding. The obligations of the Parties under this Agreement do not constitute a general obligation or indebtedness of either Party for which such Party is obligated to levy, pledge, or collect any form of taxation. It is understood and agreed that either Party shall have the right to terminate this Agreement at the end of either Party's fiscal year if the governing body of Party does not appropriate sufficient funds as determined by Party's budget for the fiscal year in question. Party may effect such termination by giving other the other Party written notice of termination at the end of its then-current fiscal year.

7.11 Non-Waiver. A Party's failure or delay to exercise a right or remedy does not constitute a waiver of the right or remedy. An exercise of a right or remedy under this Agreement does not preclude the exercise of another right or remedy. Rights and remedies under this Agreement are cumulative and are not exclusive of other rights or remedies provided by law.

7.12 Paragraph Headings. The various paragraph headings are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement or any section thereof.

7.13 Severability. The Parties agree that in the event any provision of this Agreement is declared invalid by a court of competent jurisdiction that part of the Agreement is severable and the decree shall not affect the remainder of the Agreement. The remainder of the Agreement shall be and continue in full force and effect.

7.14 Open Meetings Act. The Parties hereby represent and affirm that this Agreement was adopted in an open meeting held in compliance with the Texas Open Meetings Act (Tex. Gov. Code, Ch. 551), as amended.

7.15 Counterparts. This Agreement may be executed in multiple counterparts which, when taken together, shall be considered as one original.

7.16 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the subject matter contained herein. The Parties may not modify or amend this Agreement, except by written agreement approved by the governing bodies of each Party and duly executed by both Parties.

WILLIAMSON COUNTY

By: *[Signature]*

Dan A. Gaitis, County Judge

Date signed: 7-28, 2010

APPROVED AS TO FORM AND SUBSTANCE:

WILLIAMSON COUNTY ELECTED OFFICIAL

By: *[Signature]*

Printed Name: James R. Wilson, Williamson County Sheriff

Name of

Agency/

Elected Office: Williamson County Sheriff's Office

Date signed: 11-16, 2010

The Meadows at Chandler Creek  
Municipal Utility District

By: Nancy Belletis

Title: President, Board of Directors Meadows at Chandler Creek  
MUD

Date signed: May 18, 2010