

THE STATE OF TEXAS §

THE COUNTY OF WEBB §

INTERLOCAL AGREEMENT BETWEEN
WEBB COUNTY AND THE WEBB COUNTY DRAINAGE DISTRICT NO. 1
FOR THE COLLECTION OF AD VALOREM TAXES

This Agreement is made and entered into by and between Webb County, a political subdivision of the State of Texas, acting through its County Judge as authorized by its Commissioners Court, also referred to as the "County", and the Webb County Drainage District No. 1, acting by and through its President Margie Arce, as authorized by the Board of Directors and also referred to as the "Drainage District", pursuant to Chapter 791, Texas Government Code, the Interlocal Cooperation Act.

WITNESSETH:

WHEREAS, the Drainage District is authorized to levy and collect ad valorem taxes; and

WHEREAS, the Drainage District has the authority to contract with the County for the County to act as tax assessor and collector for the District, and the County has the authority to so act; and

WHEREAS, the Drainage District has requested that Webb County, by and through its Tax Assessor-Collector, collect said ad valorem taxes; and

WHEREAS, the Drainage District and Webb County find that it would be in the best interest of the citizens of Webb County to enter into this Interlocal Agreement to collect said taxes on behalf of the Drainage District;

NOW, THEREFORE, in consideration of the mutual promises, benefits, and covenants contained herein, the Drainage District and Webb County agree as follows:

ARTICLE 1
SCOPE OF SERVICES

The County, by and through the Tax Assessor-Collector, shall serve as tax assessor-collector for parcels in Webb County of the Drainage District for ad valorem tax collection for each tax year for the duration of this Agreement. The County agrees to perform all necessary ad valorem assessing and collecting duties for the Drainage District, and the Drainage District expressly authorizes the County to do and perform all acts necessary and proper to assess and collect taxes for the Drainage District. The County agrees to collect base taxes, penalties, interest, and attorneys' fees.

Specifically, the County covenants and agrees to prepare and mail all current and delinquent tax statements required by statute, including the annual tax statements, February Delinquent Statements, and the 33.07 and 33.08 Statements and collect ad valorem taxes for the Drainage District at its main

office located at the Webb County Justice Center, 1110 Victoria Street, Laredo, Webb County, Texas, 78040. All monies collected by the County shall be deposited in the County's Depository in an account designated for such funds. Daily, the County Tax Office shall directly deposit into the Drainage District's bank account all sums collected by the County Tax Office on behalf of the Drainage District. For each deposit, the County Tax Office shall indicate in writing which collections are current collections and which collections are delinquent collections. The County Tax Office will invoice the Drainage District in October of each year for 1% of its current levy and that amount will be deducted from the October collections at the end of October of each year.

The County will also provide the following services:

1. Timely Deposits of funds;
2. Issuance of delinquent statements to taxpayers;
3. Calculation of the effective tax rate, with information provided by the Drainage District's Financial Officer;
4. Publication of requisite notices as required by applicable Texas law and as outlined in the "Truth in Taxation Guide," as maintained by the Texas Comptroller of Public Accounts;¹ and
5. Provision of Reports and information to the Drainage District when requested.

ARTICLE 2 PERSONNEL AND EQUIPMENT

The County agrees to furnish all personnel with the required skills and expertise needed to perform the above-identified services. In addition, the County shall provide all necessary equipment, supplies, vehicles, utilities, and any other items, equipment, or software to perform the identified services.

The County understands and agrees that the County, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the Drainage District. The Drainage District understands and agrees that the Drainage District, its employees, servants, agents, and/or representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the County.

ARTICLE 3 REPORT TO THE DRAINAGE DISTRICT

The County shall submit monthly reports to the Drainage District as part of the County's Tax Collection Report, the amount of current/delinquent taxes, penalties and interest collected for maintenance and operations ("M&O"), and debt. The Tax Assessor-Collector will notify the Drainage

¹ The Texas Comptroller of Public Accounts' "Truth in Taxation Guide" is available at <https://comptroller.texas.gov/taxes/property-tax/truth-in-taxation/index.php>.

District when each required statement mailout has been processed. The Tax Assessor-Collector will submit any other report to the Drainage District that is require by the Texas Property Tax Code.

ARTICLE 4
DURATION OF CONTRACT

The term of this Agreement shall begin upon the Effective Date of this Agreement as identified in Article 12 herein, but no earlier than the 1st day of September, 2018, and continue in full force and effect until the 31st day of August, 2021, unless terminated earlier as provided herein. The Drainage District shall have the sole right to extend and renew this contract for one (1) additional four-year term upon thirty (30) days written notice to the County prior to the expiration of this contract.

ARTICLE 5
COMPENSATION

The Drainage District shall compensate the County at a rate of **1%** of the current year's levy payable at the end of October of each year. The County shall invoice the Drainage District for the amount the County is charging the Drainage District in accordance with Article 1 herein.

ARTICLE 6
NON-ASSIGNABILITY

The County shall not assign any interest in this Agreement nor delegate the performance of any of its duties herein specified without the written consent of the Drainage District.

ARTICLE 7
ACCESS BY THE DRAINAGE DISTRICT TO RECORDS

The County expressly agrees to maintain complete and accurate financial records of each transaction made and, as requested by the Drainage District, the County Assessor-Collector, or designee, shall make the records available to the Drainage District, or its designees, for inspection and review. Additionally, the County shall permit representatives of the Drainage District, access to the names, addresses, and all other required documents related to the County's performance under this Agreement. All such required records shall be clearly identified and readily accessible to the Drainage District for one (1) year after final payment under this Agreement, or for one (1) year after termination of this Agreement, whichever is later.

ARTICLE 8
THE DRAINAGE DISTRICT'S RESPONSIBILITES AND RIGHTS

It shall be the Drainage District's responsibility to provide County with all Resolutions and accurate information and documentation regarding the adopted ad valorem tax rate and any other information relating to the efficient collection of ad valorem taxes by the County.

This Agreement may be terminated by the Drainage District at any time by the same official action taken to invoke the collection of said ad valorem taxes by the County.

ARTICLE 9
ENTIRE AGREEMENT

This Agreement supersedes all prior agreements between the County and the Drainage District whether written or oral.

ARTICLE 10
LIABILITY

The County, through its Tax Assessor-Collector and its surety, is relieved of responsibility for safekeeping funds collected from taxes after the funds are deposited as required by law in the County depository.

The County accepts responsibility for the acts, negligence, and/or omissions related to property tax services of all County employees and agents, sub-contractors, and/or contract laborers, and for those actions of other persons doing work under a contract or agreement with the County to the extent allowed by law.

The Drainage District accepts responsibility for the acts, negligence, and/or omissions of all Drainage District employees and agents, sub-contractors, and/or contract laborers, and for those of all other persons doing work under a contract or agreement with the Drainage District to the extent allowed by law.

ARTICLE 11
NOTICES

All notices called for or contemplated hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or forty-eight (48) hours after mailed to each party by certified mail, return receipt requested, postage prepaid to the parties listed below:

To County: County Judge/Court Administrator
1000 Houston Street
Laredo, Texas 78042

And Webb County Attorney
1110 Washington Street, Suite 301
Laredo, Texas 78040

And Webb County Tax Assessor-Collector
1110 Victoria Street, Suite 107
Laredo, Texas 78040

To Drainage District Webb County Drainage District No. 1
President
1016 Monaco Boulevard
Laredo, Texas 78045

ARTICLE 12
EFFECTIVE DATE

This Agreement shall not become effective until it is signed by both the County and the Drainage District.

ARTICLE 13
INCONSISTENCIES

Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements that are made a part hereof by reference or otherwise, the provisions of this Agreement shall control.

ARTICLE 14
SEVERABILITY

Each paragraph and provision hereof is severable from the entire Agreement. If any term, provision, covenant, or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void, or unenforceable, and such term, provision, covenant, or condition is not an essential part of the Agreement and appears to not have been a controlling or material inducement to the making thereof, the same shall be deemed of no effect, and shall upon application of either party be stricken from the Agreement without affecting the binding force of the Agreement as it shall remain after omitting such provision.

ARTICLE 15
LAW OF TEXAS

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be enforced in Webb County, Texas.

ARTICLE 16
AMENDMENT

No changes to this Agreement shall be made except upon written agreement of both parties.

ARTICLE 17
HEADINGS

The headings used herein are for convenience of reference only and shall not constitute a part hereof or affect the construction or interpretation hereof.

ARTICLE 18
WAIVER

No delay or omission on the part of any party in exercising any rights under this Agreement shall operate as a waiver of such right or any other rights under this Agreement. No course of dealing with respect to any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law or in equity, except as expressly set forth herein.

ARTICLE 19
COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same document.

ARTICLE 20
TERMINOLOGY AND DEFINITIONS

All personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all other genders; the singular shall include the plural, and the plural shall include the singular.

ARTICLE 21
AUTHORITY

The undersigned officers and/or agents of the parties are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties. Each party hereby certifies to the other that any resolutions necessary for this Agreement have been duly passed and are now in full force and effect.

EXECUTED in duplicate originals this the _____ day of _____ 2018.

WEBB COUNTY

WEBB COUNTY DRAINAGE DISTRICT NO. 1

Tano Tijerina
County Judge

Margie Arce

Margie Arce
President

Norma Farabough

Norma Farabough, RTA, CSTA, CTA
Tax Assessor-Collector

ATTEST:

Marie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FROM:

Webb County Civil Legal Division Attorney*

*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).