

Lone Star Interlocal Cooperation Association
AGREEMENT

This Agreement is made and entered into by and between three or more of the following political subdivisions of the State of Texas: (hereinafter referred to as DISTRICTS): **Ector County Independent School District**, Abilene Independent School District, Andrews Independent School District, Crane Independent School District, Greenwood Independent School District, Iraan-Sheffield Independent School District, Lubbock Independent School District, McCamey Independent School District, Midland Independent School District, Stanton Independent School District, Terrell County Independent School District and Wink-Loving Independent School District.

WITNESSETH

WHEREAS, the DISTRICTS are political subdivisions, who purchase: (1) group health coverage; (2) services for administration of health benefits; and/or (3) related health, life, disability or similar benefits for their employees from various insurers, third party administrators (TPAs), hospital service corporations and health maintenance organizations;

WHEREAS, the DISTRICTS desire to combine their resources in order to organize and administer a cooperative purchasing program, either jointly or singularly, to obtain better access and selection of products and/or services. The cooperative program will be called the Lone Star Public Interlocal Cooperation Association (referred to as The Association);

WHEREAS, the DISTRICTS intend to conform this Agreement with Chapter 791 of the Texas Government Code, more commonly known as the Interlocal Cooperation Act;

NOW THEREFORE, for and in consideration of the mutual promises, considerations and undertakings herein set forth it is agreed as follows:

The DISTRICTS agree to organize and administer a purchasing program for insurance products, related services and benefits, and/or administrative services for each DISTRICT, either singularly, or in combination with one or more other DISTRICTS, as follows:

- a. For a minimum of three (3) years, the term of this Agreement. This Agreement is also subject to automatic renewal at the end of the initial three (3) year term for an additional three (3) years, and subject to the right of any DISTRICT to withdraw on sixty (60) days notice before the end of the initial three (3) year term. This Agreement will be effective on **January 1, 2006**. The Board of Directors may upon a majority vote, extend the term of this Agreement beyond six years.
- b. The Board of Directors will have authority to adopt rules which are necessary and appropriate to promote and preserve the objectives of the Association. The Board of Directors will consist of the Superintendent or Chair of the Medical Trust Fund of each DISTRICT. The Board of Directors will supervise the performance of this contract, research the market, and may, if needed, select a consultant, broker or administrator. The Board will consult with and make reports and recommendations to the Board of Trustees for each DISTRICT, administer the program, prepare and file periodic reports with each Board of Trustees from each District. The

DISTRICTS may agree to utilize a common consultant, administrator or broker but, in such events, shall individually enter into a contractual agreement with said person(s) or entities. The payment of monies for the cost of such insurance and/or services will be the responsibility of the District and will be made directly to the proper entity by each District. The Board of Directors will not have any direct control over the operations of the DISTRICTS or its personnel, but are to advise and make recommendations to the Medical Trust Board or Board of Trustees of each DISTRICT.

- c. The Board of Directors will serve without compensation, and will meet at least quarterly each year on dates convenient to the Board of Directors. The Board, by majority vote, will elect a Chairman to call and conduct meetings in accordance with the Roberts Rules of Order, Newly Revised. The business of the Board of Directors will be conducted by a majority of the Superintendents (or the designee of the Superintendent) who make up the Board of Directors.
- d. Each DISTRICT will make all payments in a timely fashion (within thirty (30) days of each billing) directly to the billing entity from current revenues available to DISTRICT. Each district is responsible only for the billing(s) for their employees and dependents.
- e. The responsibilities to the individual employees of the DISTRICTS will rest with the Board of Trustees of each DISTRICT. The Association will bear no direct responsibility to any employee (or dependent) of any particular School District.
- f. There will not be any fee payment from one member of this Agreement to another for the performance of functions under this contract. Each DISTRICT will provide reimbursement on a participation basis for actual out of pocket expenses of the Association, as provided in (g) below.
- g. The Board of Directors has authority, by majority vote, to admit or dismiss political subdivisions into or out of the Association. The Board of Directors will further have the authority, by majority vote, to retain legal counsel, to initiate legal proceedings, and to pay costs and attorneys fees in a pursuance of any expenses of the Association. All expenses of the Association will be borne on a participation basis based upon a formula determined by the Board which will use a method based on the number of participating employees.
- h. It is contemplated by the DISTRICTS that one or more of the DISTRICTS listed above may elect not to participate. The Association may operate with as few as three DISTRICTS participating.
- I. Each DISTRICT will provide all information as may be needed or required for the operation and administration of this Agreement.

This Agreement may be terminated by any party upon sixty (60) days written notice before the end of the three (3) year initial term, delivered by hand or U.S. Certified Mail to the other DISTRICTS of its intention to withdraw. Provided all sums owing by the withdrawing DISTRICT are paid in full up to the effective date of the withdrawal.

This Agreement may be dissolved by consent of a majority of Boards of Trustees of the DISTRICTS provided, however, all contracts, agreements, etc. with third persons would still be in effect unless termination is permitted by such contracts, agreements, etc. The Chairman will use every means to coordinate an orderly dissolution and will receive the advice and support of the Board of Directors.

Amendment of this Agreement will be in writing and effective upon approval of a majority of the Board of Directors.

This Interlocal Agreement is authorized by the governing body of all DISTRICTS as evidenced by the Resolutions of the DISTRICTS, all of which are incorporated herein by reference for all purposes and evidenced by the signatures below.

The parties hereby have executed this Agreement in multiple counterparts this the _____ day of _____.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

BY: _____
Title: Superintendent

BY: _____
Title: Board President

BY: _____
Title: Board Secretary

LONE STAR INTERLOCAL COOPERATIVE ASSOCIATION

BY: _____
Title: _____

BY: _____
Title: _____

RESOLUTION

WHEREAS, Ector County Independent School District previously adopted an employee benefit plan, which, provided for one or more of the following: (1) medical expense benefits; (2) life insurance; (3) accidental death and dismemberment benefit; (4) dental benefits; (5) short term disability benefits; (6) long term disability benefits; (7) vision care benefits; (8) wellness programs; (9) cafeteria plan administration; (10) specified illness benefits; and (10) other employee benefits;

WHEREAS, the Board of the school district has determined that it is in the best interest of the school district and its employees to join in an interlocal cooperation agreement with other political subdivisions, namely the **Lone Star Interlocal Cooperation Association** (Association), it is therefore

RESOLVED, that effective **January 1, 2006**, the school district does hereby adopt the Association Agreement attached hereto as Exhibit A which has been examined by the members of the school board; and

RESOLVED, the school district hereby designates **Bruce Revell**, as a director of the Association and authorizes him or her to act on behalf of the school district and as a director of the Association.

CERTIFICATE

The Undersigned, authorized representative of **Ector County Independent School District** hereby certifies that the foregoing is a true and correct copy of resolutions which were duly adopted by the Board of Trustees on the _____ day of _____, to be effective on **January 1, 2006**, and that said resolutions have not been in any wise amended, rescinded or revoked, and are in full force and effect as of the date hereof.

WITNESS my hand of the School District this _____ day of _____.

Date

Title: Superintendent

Date

Title: Board President

Date

Title: Board Secretary