

Notice of Flatonia City Council Special Meeting

In accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, Notice is hereby given that a City Council Meeting will be held on Tuesday, June 25, 2024, beginning at 6:00 p.m. in the City Hall Council Chambers located at 125 E. South Main St., Flatonia, Texas, for the purpose of considering the following agenda items:

AGENDA

Opening Agenda

Call to Order
Invocation & Pledge

PH6.2.2024.1

Public Hearing on the replat request from Dewayne Torres for PID #27911, the property at 404 Mulberry, Flatonia, Texas 78941. The replat request is to divide the property into two lots.

Discussion Agenda

D1.

Discuss and schedule upcoming budget workshops.

Consent Agenda

C1.

Consider and take appropriate action to approve the June 11, 2024, meeting minutes.

Deliberation Agenda

DA6.2.2024.1

Consider and take appropriate action to approve the replat request from Dewayne Torres for PID #27911, the property at 404 Mulberry, Flatonia, Texas 78941. The replat request is to divide the property into two lots.

DA6.2.2024.2

Consider and take appropriate action to approve the Memorandum of Understanding between the City of Flatonia and Fayette Water Supply Corporation regarding the CDBG MIT-MOD grant project.

DA6.2.2024.3

Consider and take appropriate action to approve the Memorandum of Understanding between the City of Flatonia and the Texas Municipal League Intergovernmental Risk Pool regarding cyber liability coverage.

Adjournment

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board outside the front door of the City Hall of the City of Flatonia, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time **June 21, 2024, by 5:00 p.m.** and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Jacqueline Ott, City Secretary

**NOTICE OF ASSISTANCE
AT THE PUBLIC MEETING**

The Flatonia City Hall is wheelchair accessible. Access to the building is available at the primary entrance facing Main Street. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print are requested to contact the City Secretary's Office at 361-865-3548 or by FAX 361-865-2817 at least two working days prior to the meeting so that appropriate arrangements can be made.

EXECUTIVE SESSION STATEMENT

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551.071 (Consultations with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations Regarding Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations Regarding Security Devices or Security Audits), 551.086 (Certain Public Power Utilities: Competitive Matters) and 551.087 (Deliberation Regarding Economic Development Negotiations).

Agenda Removal Notice

This Public Notice was removed from the official posting board at the Flatonia City Hall on the following date and time:

Date and Time

Jacqueline Ott, City Secretary

Minutes
Flatonia City Council
June 11, 2024
Regular Meeting at 6:00 p.m.

Present:

| | |
|------------------|--------------------|
| Mayor | Travis Seale |
| Mayor Pro Tem | Joanye Eversole |
| Councilmembers | Ginny Sears |
| | Allen Kocian |
| | Donna Cockrell |
| | Josh Homan |
| City Manager | Sonya Bishop |
| City Secretary | Jacqueline Ott |
| Utility Director | Jack Pavlas |
| Police Chief | Lee Dick |
| Fire Chief | Chris Swenning |
| Permit Clerk | Jennifer Schaffner |

Opening Agenda

Call to Order Mayor Seale called the meeting to order at 6:00 p.m.

Invocation & Pledge Councilman Kocian led the invocation and pledges.

Citizen Participation None

Presentation

P1. A potential developer presented a proposal for a property located on the northwest corner of the intersection of Highway 95 and Interstate 10. There is currently a gas station on the property, which the developer intends to convert into a restaurant space. They hope to develop the land into a complex of multifamily rental units with amenities. The land purchase has not been finalized, but the developer wanted to give the citizens an idea of their intentions.

P2. Mark Eversole and Dennis Geesaman gave an update on the development of a CARTS/Amtrak depot located downtown. They recently received a grant to conduct an environmental study on the land owned by the City and leased by Flatonia Mobility.

Reports

Police Chief

May Report

Police Chief Dick updated the Council on a recent active shooter drill at Flatonia Independent School District. He also reported that the Fayette County Sheriff's Office has begun patrolling at night due to the staff shortage.

Utility Director

May Report

Mayor Seale asked for a log of equipment to include maintenance for the budget workshops. Permit Clerk Schaffner gave an update on permits issued for a mobile home park on Converse Street. She is working with Utility Director Pavlas to ensure the new home permits issued remain within the parameters of what the existing utility infrastructure can handle.

Code Enforcement

May Report

City Manager Bishop gave an update on the demolished properties. She also spoke about a business that has been issued several letters regarding its state. The property owner is now involved and understands that a citation will be issued to them if the property is not brought into compliance soon. Mayor Seale offered accolades to Code Official Hernandez on a job well done.

City Manager

May Report

City Manager Bishop updated the Council on a stop-work order she issued to a citizen. The original permit was issued for an accessory structure, but the property owner constructed a garage and small apartment. Also, the subdivision on First Street is still in negotiations through attorneys to reach an agreement on infrastructure.

Fire Chief

May Report

Fire Chief Swenning updated the Council on volunteer numbers.

Consent Agenda

- C1.** Councilwoman Cockrell motioned to approve the May 14, 2024, meeting minutes. Councilman Homan seconded the motion. None opposed. Motion carried unanimously.
- C2.** Councilwoman Cockrell motioned to approve the May 2024 financial statements. Councilman Homan seconded the motion. None opposed. Motion carried unanimously.

Discussion Agenda

- D1.** City Manager Bishop proposed conducting an electric rate study. The last study was done in the early 2000s. Mayor Seale advised her to gather cost information to present at the next regular Council meeting. Councilwoman Cockrell and Mayor Pro Tem Eversole would like to know how much we are charged for electricity by LCRA versus how much revenue we receive from customers. This will be discussed in an Executive Session in the near future.
- D2.** Councilwoman Sears asked City Manager Bishop to go over the roles and responsibilities of her position as well as the Mayor and City Secretary.
- D3.** Mayor Seale reviewed the short-term and long-term financing options for sludge removal at the wastewater treatment plant. It was decided by the Council that everyone prefers a hybrid option. City Manager Bishop will prepare a plan by the next regular meeting.

Deliberation Agenda

- DA6.1.2024.1** Councilwoman Cockrell motioned to approve the Texas Health Benefits rates for City employees for Fiscal Year 2025. Councilwoman Sears seconded the motion. None opposed. Motion carried unanimously.
- DA6.1.2024.2** Councilwoman Sears motioned to approve removing Dennis Geesaman and replacing him with Travis Seale as an authorized signer for all City of Flatonia bank accounts held at First National Bank of Shiner. Mayor Pro Tem Eversole seconded the motion. None opposed. Motion carried unanimously.
- DA6.1.2024.3** Councilwoman Cockrell motioned to approve making the following changes for all City of Flatonia bank accounts held at Prosperity Bank: remove Dennis Geesaman, Tamela Louvier, and Catherine Steinhauser and add Travis Seale and Jacqueline Ott as authorized

signers. Councilman Kocian seconded the motion. None opposed. Motion carried unanimously.

Executive Session

City Manager Bishop invoked her right to conduct her performance evaluation in open meeting per the Open Meetings Act Chapter 6, Section 551.074(b). All council members provided feedback.

Adjournment

Councilman Kocian moved to end the meeting. Mayor Pro Tem Eversole seconded the motion. None opposed. Motion carried unanimously. Mayor Seale adjourned the meeting at 7:58 p.m.

Signed

Travis Seale
Mayor

Attest

Jacqueline Ott
City Secretary

CITY OF FLATONIA

Agenda Summary Form

| | |
|--|--|
| Agenda # DA6.2.2024.1 | Title: Consider and take appropriate action to approve the replat request from Dewayne Torres for PID #27911, the property at 404 Mulberry, Flatonia, Texas 78941. The replat request is to divide the property into two lots. |
| Summary: Approve a replat request. | |
| Option(s): <input type="checkbox"/> I move to approve the replat request from Dewayne Torres for PID #27911, the property at 404 Mulberry, Flatonia, Texas 78941. The replat request is to divide the property into two lots. <input type="checkbox"/> If you are opposed to not 2 nd or make any motion. If a motion is not made, the item is dead. | |
| Sears: _____ Homan: _____ Kocian: _____ Cockrell: _____ | |
| Mayor Pro Tem Eversole: _____ Mayor Seale: _____ | |

"Negative" motions are generally not permitted. To dispose of a business item, the motion should be phrased as a positive action to take, and then, if the group desires not to take this action, the motion should be voted down. The exception to this rule is when a governing body is asked to take action on a request and wishes to create a record as to why the denial is justified.

City of Flatonia
PO Box 329 · 125 E South Main
Flatonia, TX 78941
361-865-3548

Replat Application

Applicant: DEWAYNE TORRES
I am the: Property owner Developer ___ Agent ___ Engineer ___ Surveyor ___

Property owner: DEWAYNE TORRES
Mailing address: 404 Mulberry
Email: _____ Phone: 361-401-0669

Developer or Agent: South Central Feal Estate
Mailing address: _____
Email: _____ Phone: _____
Contact person: _____

Engineer or Surveyor: Barton + Associates
Mailing address: _____
Email: _____ Phone: _____
Contact person: _____

PID: _____ Current Zone: GC-R1 Current land use: Residential
Proposed land use: Residential or commercial
Is zoning change required: NO Number of lots existing: 1 Number of lots proposed: 2
Legal description of lot: _____

Names of all Lienholders/Property Owners, address and phone number:
(List known liens/other property owners if owned by more than one person. Attach a separate page if more space is needed.)
1. DEWAYNE TORRES
2. _____

Describe all easements or fee strips previously granted across or within the property.
NONE KNOWN

- Applicant's checklist
- Form is completely filled out
 - Property owner authorization is completed (if applicable)
 - Parcel map printed from the FCAD website, clearly indicating the location and boundaries of the subject property
 - Tax receipt showing current on all property taxes
 - 2 copies, minimum 18" x 24" Preliminary Plat attached, clearly indicating required data from submittal packet

Owner/Agent Signature [Signature]
Printed name Dewayne Torres Date 6-5-24

Property Owner Authorization

Property Owner

Name: DEWAYNE TORRES
Address: 4601 mulberry st
Phone: _____
Email: _____

Agent

Name: Tanya Schindler
Address: _____
Phone: _____
Email: _____

Property ID# _____

PROPERTY OWNER AUTHORIZATION

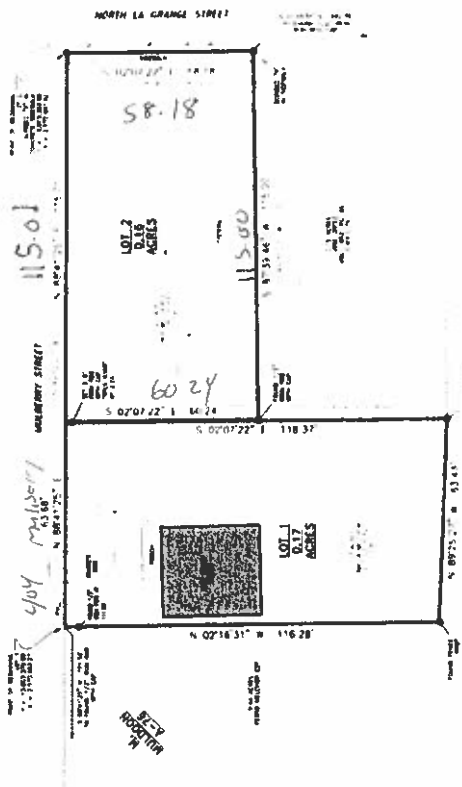
I hereby certify that I am the owner of the subject property indicated above or a person having a legal or equitable interest therein. I authorize the above listed agent to act on my behalf for the purpose of processing this application.

[Signature] _____ 6-5-24
Owner Signature Date

AUTHORIZED AGENT STATEMENT

I have reviewed the replat application instructions and hereby confirm this document meets all application requirements and related checklists demonstrating compliance with city codes and regulations.

Authorized Agent Signature Date

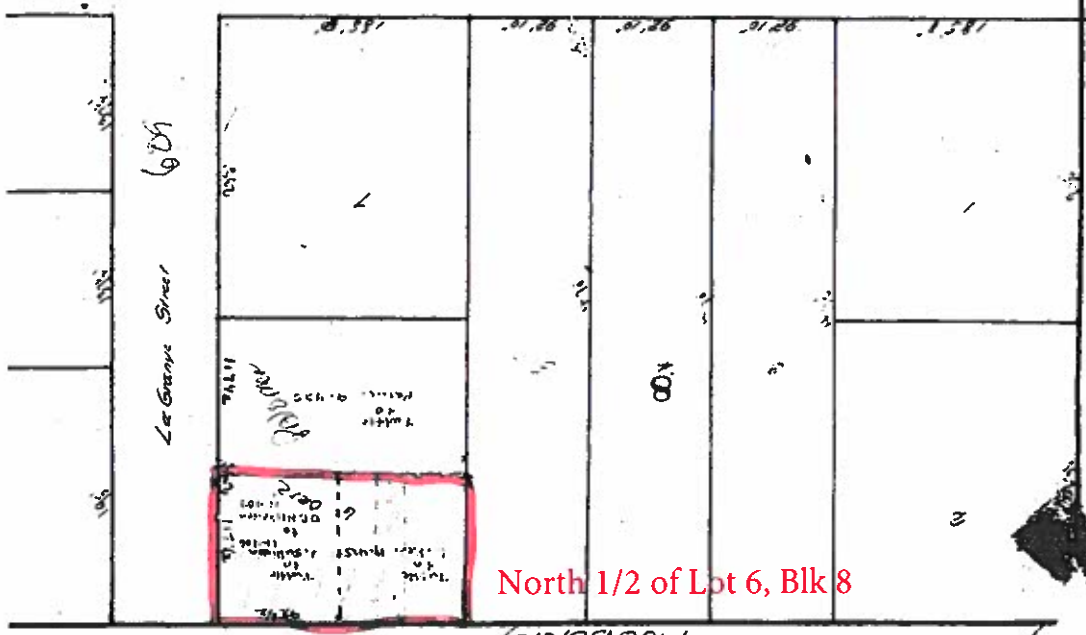
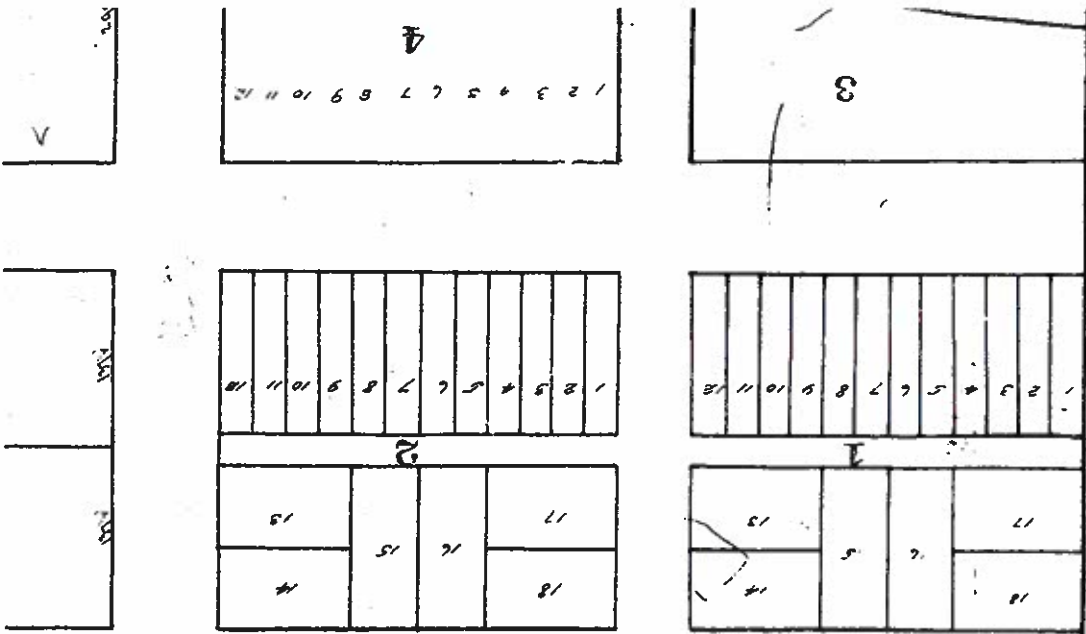


60-81-R
 S1C
 W-50
 D-100
 25th
 June
 call 805 BY 7th
 Peterson

PRELIMINARY



THE SURVEYORS ASSOCIATION OF THE STATE OF TEXAS
 IS A PROFESSIONAL SOCIETY OF SURVEYORS IN THE CITY OF
 PLANO, TEXAS 75074



| prop_id | file_as_na | situs_num | situs_stre | situs_st_1 | addr_line1 | addr_line2 | addr_city | addr_state | zip |
|---------|------------------------------|-----------|------------|-------------------------|------------------|--------------------|-----------|------------|-------|
| 27903 | DVORAK KELLY | 315 | | N LA GRANGE ST | | 315 N LA GRANGE ST | FLATONIA | TX | 78941 |
| 27904 | MELCHOR PEDRO EST | MULBERRY | | ST | % DEWAYNE TORRES | 404 MULBERRY ST | FLATONIA | TX | 78941 |
| 27907 | GUTHRIE CAROLINE | 401 | | E 7TH ST | | P O BOX 1070 | FLATONIA | TX | 78941 |
| 27908 | PAVLAS JACK E & REBECCA G | 321 | E | 7TH ST | | P O BOX 215 | FLATONIA | TX | 78941 |
| 27910 | PALOMERA ROBERTO | 219 | N | LA GRANGE | | 1241 HWY 95 N | FLATONIA | TX | 78941 |
| 27911 | TORRES DEWAYNE | 404 | | MULBERRY | | 404 MULBERRY ST | FLATONIA | TX | 78941 |
| 27912 | VON MINDEN MARY JACQUELINE | 403 | E | 7TH ST | | 403 E 7TH ST | FLATONIA | TX | 78941 |
| 27919 | MELCHOR BEN EST | | | MULBERRY & LA GRANGE ST | % DEWAYNE TORRES | 404 MULBERRY ST | FLATONIA | TX | 78941 |
| 27920 | SYRINEK EVELYN A EST | 404 | | 9TH ST | | 6700 EDGEFIELD DR | AUSTIN | TX | 78731 |
| 52733 | JARAMILLO FERNANDO & JULIANA | 402 | | MULBERRY ST | | P O BOX 956 | FLATONIA | TX | 78941 |
| 98325 | ORTEZ JOSE | | | LA GRANGE ST | | 6201 JIM ST | HOUSTON | TX | 77092 |

June 10, 2024

**Notice to Landowners
Replat Application**

An application has been filed by Dewayne Torres with the City of Flatonia requesting approval of a replat at PID #27911 located at 404 Mulberry, Flatonia, Texas 78941. The request is to divide the property into two lots.

The City Council will hold a public hearing on Tuesday, June 25, 2024, at 6:00 p.m. and may act on the replat request.

The public hearing is open to any interested person. Opinions, objections, and/or comments on this matter may be expressed in writing or in person at the hearing. The reply form included in this letter can be used if you would like to submit written comments.

Notice of the public hearing has already been published in the Flatonia Argus. If you have any questions regarding this notice or the Replat Application, please contact City Manager Sonya Bishop at manager@ci.flatonia.tx.us or 361-865-3548.

Reply Form

To be on record, this form may be filled out and mailed to:

City of Flatonia
Planning & Zoning
P.O. Box 329
Flatonia, TX 78941

REPLY

Name: _____
Address: _____
Phone: _____

- () In Favor
- () Opposed

Reasons and/or Comments:

- () I **do** plan to speak at the public hearing on June 25, 2024.
- () I **do not** plan to speak at the public hearing on June 25, 2024.

Signature: _____

CITY OF FLATONIA

Agenda Summary Form

| | |
|--|--|
| Agenda # DA6.2.2024.2 | Title: Consider and take appropriate action to approve the Memorandum of Understanding between the City of Flatonia and Fayette Water Supply Corporation regarding the CDBG MIT-MOD grant project. |
| Summary: Approve an MOU. | |
| Option(s): <input type="checkbox"/> I move to approve the Memorandum of Understanding between the City of Flatonia and Fayette Water Supply Corporation regarding the CDBG MIT-MOD grant project. <input type="checkbox"/> If you are opposed to not 2 nd or make any motion. If a motion is not made, the item is dead. | |
| Sears: _____ Homan: _____ Kocian: _____ Cockrell: _____ Mayor Pro Tem Eversole: _____ Mayor Seale: _____ | |

"Negative" motions are generally not permitted. To dispose of a business item, the motion should be phrased as a positive action to take, and then, if the group desires not to take this action, the motion should be voted down. The exception to this rule is when a governing body is asked to take action on a request and wishes to create a record as to why the denial is justified.

**MEMORANDUM OF UNDERSTANDING ("MOU") BETWEEN CITY OF FLATONIA AND FAYETTE
WATER SUPPLY CORPORATION**

WHEREAS the City of Flatonia ("The City") authorized the submission of a Community Development Block Grant Mitigation Method of Distribution Grant Program (CDGB MIT MOD) application through the General Land Office (GLO) for the water well and water line improvements ("The Project");

WHEREAS, the City will apply for the General Land Office Community Development Block Grant Mitigation Method of Distribution Program (CDBG MIT MOD) funds for the improvements;

WHEREAS, the City in anticipation of a CDBG MIT MOD grant award for the water well and water line Improvements.

WHEREAS, there is a need to formulate the responsibilities of the City and the FWSC for the management of the Project;

BE IT THEREFORE AGREED AS FOLLOWS:

The City will be responsible for costs of the Project that are not covered by the grant funds.

The City will be responsible for contracting with an engineering firm for the design and implementation of the Project;

The City will be responsible for contracting with an administrative /management consultant firm for the overall administration of the grant activities.

The City will be responsible for contracting with construction contractors for the work to improve the water well and water lines.

The City will submit invoices and canceled checks to a consultant hired to manage the grant ("Consultant"). The Consultant will compose the reimbursement package, which includes the invoices and canceled checks. The Consultant will then have the City sign the completed reimbursement package.

The City will then forward the package to the General Land Office (GLO), which will then be processed for reimbursement of ninety-nine percent (99%) of Project invoices submitted.

Upon receipt of the reimbursement of funds, the City will, within 3 days of receipt of funds assure payment has been made to contractors.

FWSC is only agreeable to an Emergency Interconnect only, not a daily or ongoing interconnect or wholesale water agreement;

The City shall be responsible for all associated costs associated with this Emergency Interconnect, including, but not limited to Texas Commission on Environmental Quality (TCEQ) water blending studies, lab testing, technical submittals and approvals and future Interconnect Agreement between City and FWSC. This Agreement shall include operation & maintenance provisions for maintaining the interconnect and associated water lines, meter reading, etc.

It is understood that the City of Flatonia remains responsible for the GLO Project throughout the grant period and through the full audit period per GLO requirements and both parties acknowledge that the City will not be liable for any future claims or damages that may result from the Project.

This Memorandum of Understanding is the complete agreement between the City of Flatonia and Fayette Water Supply Corporation, and may be amended only by written agreement signed by each of the parties involved

Per the action date of _____ by the City of Flatonia in partnership with Fayette Water Supply Corporation, we hereto have caused this MOU to be duly executed:


BY: The City of Flatonia:

(Printed Name)

(Signature)

BY: Fayette Water Supply Corporation:

Gene Keener, President
(Printed Name)


(Signature)

CITY OF FLATONIA

Agenda Summary Form

| | |
|--|--|
| Agenda # DA6.2.2024.3 | Title: Consider and take appropriate action to approve the Memorandum of Understanding between the City of Flatonia and the Texas Municipal League Intergovernmental Risk Pool regarding cyber liability coverage. |
| Summary: Approve an MOU. | |
| Option(s): <input type="checkbox"/> I move to approve the Memorandum of Understanding between the City of Flatonia and the Texas Municipal League Intergovernmental Risk Pool regarding cyber liability coverage. <input type="checkbox"/> If you are opposed to not 2 nd or make any motion. If a motion is not made, the item is dead. | |
| Sears: _____ Homan: _____ Kocian: _____ Cockrell: _____ Mayor Pro Tem Eversole: _____ Mayor Seale: _____ | |

"Negative" motions are generally not permitted. To dispose of a business item, the motion should be phrased as a positive action to take, and then, if the group desires not to take this action, the motion should be voted down. The exception to this rule is when a governing body is asked to take action on a request and wishes to create a record as to why the denial is justified.



WORKERS' COMPENSATION • PROPERTY • LIABILITY

CRITICAL ALERT:
Cyber Liability and Data Breach Response Coverage

DATE: June 7, 2024
TO: All Members with Core (Band 1) Cyber Coverage
RE: 2024-2025 *Cyber Liability and Data Breach Response Coverage* Updates

Dear Valued Member:

Since 2016, when the TML Risk Pool first began offering *Cyber Liability and Data Breach Response Coverage* ("*Cyber Coverage*"), cyber claims have exponentially increased in both frequency and severity.

Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. That's why the Board of Trustees recently created a new Cyber Fund and approved changes to the Pool's Coverage structure, effective on October 1, 2024. *Members must elect to continue coverage or "opt-in" by completing and returning the Cyber Interlocal Agreement to participate in the newly-created Cyber Fund*

MEMBERS THAT DON'T FOLLOW THE OPT-IN PROCEDURES WILL LOSE THEIR EXISTING CYBER COVERAGE EFFECTIVE AT MIDNIGHT ON SEPTEMBER 30, 2024.

Included in this packet are:

1. A two-page flyer **explaining the updated Cyber Coverage and why the Pool made certain adjustments to ensure the viability of the program.**
2. A **Limits Page** for the updated Cyber Coverage and a link to the updated Cyber Coverage Document, which shows the contribution increases and available limits.
3. A **new, separate Interlocal Agreement (contract)** to join the Pool's new Cyber Fund.

Please review the above information.

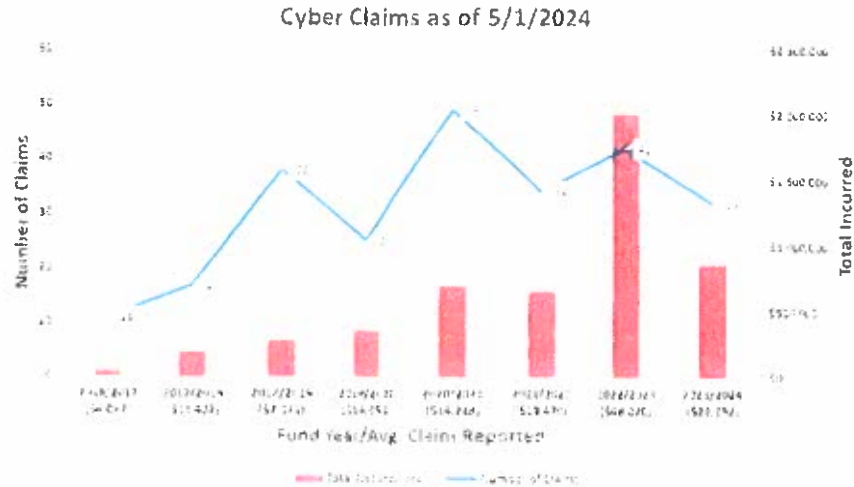
If your entity wishes to continue Cyber Coverage, simply review, complete and sign, and return the completed **Cyber Fund Interlocal Agreement** as soon as possible but no later than **September 30, 2024**. (Each Member must follow their own statutory and local policies related to contract approval prior to signing.) You can either scan and return the completed and signed agreement by email to mlk@tmlip.org or mail or ship it to Cyber Coverage, c/o TML Intergovernmental Risk Pool, P.O. Box 149194, Austin, Texas 78714. To change the Core or Core+ limit selection, simply include that request with the Interlocal Agreement. An executed copy of the agreement will be returned to you.

REMEMBER – THE INTERLOCAL AGREEMENT MUST BE RETURNED BY SEPTEMBER 30, 2024, IN ORDER FOR COVERAGE TO CONTINUE.

CRITICAL ALERT: The Pool's NEW Cybersecurity Fund

Introduction

In 2016, the Pool recognized its Members' growing cyber liability exposure. Starting that year, complimentary coverage was provided to all Members with either General Liability or Real & Personal Property Coverage. Later, as the exposure increased, the Pool began charging a minimal amount for the coverage. As shown by the chart below, cyber claims have exponentially increased in both frequency and severity since that time.



Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. That's why the Board of Trustees recently approved the Pool's formation of a new Cyber Fund and updated *Cyber Liability and Data Breach Response Coverage* ("Cyber Coverage"), effective October 1, 2024, for those Members who opt-in and sign the **Cyber Liability Interlocal Agreement**. Read on for details.

Of course, nothing can cover every possible scenario. That's why each Member *must* take steps to protect themselves, and we can help you do so (regardless of whether you choose our cyber coverage). **Most cyberattacks are preventable, and local officials should implement basic policies, train on them, and follow them.** (See the final section below on loss prevention to learn more.)

The New Cyber Fund – Ensuring the Viability of the Pool's Cyber Coverage

Cyberattacks are becoming more common, more sophisticated, and more expensive. In fact, the Pool's cyber claims have increased exponentially since 2016. Right now, if every Member of the Pool was hit by a coordinated attack, the Pool's *total exposure is in the billions of dollars*. Thankfully, that hasn't happened. But the Pool is updating its Cyber Coverage to ensure that it never does.

The following is a brief overview of the changes:

- The Pool is creating a separate **Cyber Fund** – each Member that wants to continue coverage **must sign a new, separate interlocal agreement (contract) to join the Fund**.
- The Pool's **total annual payout** for cyber claims will be **capped at \$25 million** – should criminals execute a widespread attack, the Pool's Board of Trustees would decide how to allocate those funds.
- The limit for third party liability has been reduced to **\$500,000 or \$1,000,000**, depending on whether Core or Core+ option is selected.
- **Cyber coverage contributions (premiums) will increase** based on a Member's elected limits. The new contribution ranges from \$1,000 to \$1,850 depending on Member type and coverage level (unless a Member chooses a different coverage level, the current level will roll over). Suggestion: Coverage will be renewed at the current elected limit.

The Coverage: What You Get

Some of the worst news a local official can receive is that they have fallen victim to a cyberattack. Whether criminals lock up your data and ask you for a ransom to restore it, they trick you into sending money to a fraudulent account and steal it, or whatever the form of an attack, the Pool's coverage provides, among other things:

- **Breach response**, which includes access to computer experts, public relations specialists, attorneys, negotiators, and others with experience responding to cyberattacks – these experts help you lessen the damage from an attack.
- **Network business interruption**, which can help cover the loss of income and extra expenses (for a limited period) caused by an attack.
- **Cyber extortion**, which can help with ransom payments to recover data.
- **Data recovery costs**, which can help with costs to restore data that was damaged, corrupted, and/or deleted.
- **Fraud protection**, which can help (if certain conditions are met) with costs related to – for example – when an employee is tricked into sending money to a cybercriminal.

The above provides only a very basic overview of the coverage. Every claim is unique, and reading the above isn't a substitute for carefully reviewing the terms of the new interlocal agreement and coverage document. Please refer to the enclosed outline of the coverages, limit, and sublimit.

What You Need to Do to Continue Coverage

To continue coverage, simply review, complete and sign, and return the Cyber Fund Interlocal Agreement. (Each Member must follow their own statutory and local policies related to contract approval prior to signing.) To change the Core or Core+ limit selection, simply include that request with the Interlocal Agreement.

As part of this process, we encourage you to review the 2024-2025 Cyber Liability and Data Breach Response Coverage Document that is stored on the Pool's Member Portal, which you can access from the Pool's website at www.tmlirp.org.

That's it! You'll be billed later for the costs of all your coverages, including the cyber coverage.

REMEMBER – THE INTERLOCAL AGREEMENT MUST BE RETURNED BY SEPTEMBER 30, 2024, IN ORDER FOR COVERAGE TO CONTINUE.

Risk Management and Loss Prevention

As mentioned above, the best way to deal with a cyberattack is to avoid it altogether. The Pool has a dedicated Cyber Risk Services Manager – Ryan Burns (rburns@tmlirp.org) – who can assist any Member with loss prevention, including individual review of Member exposures and transfer of risk via contracts provisions, loss prevention efforts, appropriate coverage, and more.

Additional Resources

The Pool provides prevention education in various ways. The easiest to access are short podcast episodes and YouTube videos. For example, any local official who wants to know just how painful a cyberattack can be should listen to Episode 9c of the “Local Officials: *Stronger, Together* Podcast.”

In the eye-opening episode, Scott interviews City of Tomball Assistant City Manager Jessica Rogers. Cyber-criminals hacked Tomball at the end of 2022, and the city is still — one year later — dealing with the aftermath. In this episode — which should be required listening for every city official in Texas (and beyond) — Jessica explains exactly what it's like to have essentially every computer system go down, including 9-1-1 dispatch, utility metering and billing, permitting, and everything in between. She also describes the long road to getting everything up and running. Don't miss our chance to learn from this chill-inducing story. (To listen, go to www.tmlirp.org, click on the “STP Podcast” link at the top of the page, and scroll down to Episode 9c.)

LIMIT PAGE

Your entity currently has Core Cyber Coverage with the Pool. The following is an abbreviated description of the Core and Core+ limit structure beginning October 1, 2024. The Coverage Document can be accessed at <https://members.tmlirp.org/downloads> (this link will ask you to log into the Member Portal for access).

A limit of \$25,000,000 is shared by all Members for aggregate losses occurring within the Fund Year as defined in the Cyber Liability and Data Breach Response Interlocal Agreement.

| | Core | Core+ |
|---|-----------|-------------|
| Tower 1 - Limit of Liability* | \$500,000 | \$1,000,000 |
| Data & Network and Media Liability Aggregate Limit of Liability | \$500,000 | \$1,000,000 |
| Retention | \$0 | \$0 |
| Tower 2 - Limit of Liability | \$100,000 | \$250,000 |
| First Party Loss | | |
| Business Interruption Aggregate Sublimit | \$20,000 | \$50,000 |
| Cyber Extortion Loss Aggregate Sublimit | \$25,000 | \$50,000 |
| Data Recovery Costs Aggregate Sublimit | \$20,000 | \$50,000 |
| Reputational Loss Aggregate Sublimit | \$5,000 | \$10,000 |
| Retention (other than Business Interruption) | \$0 | \$5,000 |
| Income Loss Retention under Business Interruption | \$5,000 | \$5,000 |
| Third Party Loss | | |
| Regulatory Defense and Penalties Aggregate Sublimit | \$25,000 | \$75,000 |
| Payment Card Liabilities & Costs Aggregate Sublimit | \$10,000 | \$25,000 |
| Retention | \$0 | \$5,000 |
| eCrime | | |
| Fraudulent Instruction Aggregate Sublimit | \$25,000 | \$50,000 |
| Funds Transfer Aggregate Sublimit | \$25,000 | \$50,000 |
| Telephone Fraud Aggregate Sublimit | \$25,000 | \$50,000 |
| Criminal Reward | \$2,500 | \$2,500 |
| Retention (other than Criminal Reward) | \$2,500 | \$5,000 |
| Retention Criminal Reward | \$0 | \$0 |
| Tower 3 - Limit of Liability | \$100,000 | \$150,000 |
| Breach Breach Response Aggregate Limit of Liability Beazley Response Services | \$100,000 | \$150,000 |
| Retention | \$0 | \$0 |
| New 2024-25 Annual Contribution | \$1,000 | \$1,250 |
| <i>Previous 2023-24 Contribution</i> | \$175 | \$247.24 |

**The Tower 1 Limit of Liability changed from \$1 million to \$500,000 for Core limits and from \$2 million to \$1 million for Core+ limits. All other limits remained unchanged.*

Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754

CYBER LIABILITY AND DATA BREACH RESPONSE INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as "Pool Members") to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-insurance Fund (hereinafter referred to as the "Fund") for the purpose of providing coverages against risks which are inherent in operating a political subdivision.

WITNESSETH:

The undersigned Pool Member, in accordance with Chapter 2259, Texas Government Code, the Interlocal Cooperation Act, Tex. Gov't Code § 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing like agreements, does hereby agree to become one of the Pool Members of this self-insured pool. The conditions of membership agreed upon by and between the parties are as follows:

Definitions of terms used in this Interlocal Agreement.

- a. Board. Refers to the Board of Trustees of the Fund.
- b. Fund Year. 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
- c. Manual Rates. The basic rates applicable to each cyber liability and data breach response classification promulgated by the Insurance Service Office or the Board.
- d. Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The Cyber Liability and Data Breach Response Coverage Document that sets forth in exact detail the coverages provided as part of the overall plan.
- e. Adjustments. Refers to any offsets to manual premium that may result from the Pool Member's election of deductibles, loss experience, or Fund Modifier which reflects the savings to the Pool Member by entering into this Interlocal Agreement.
- f. Premium and Contribution. Used interchangeably in some parts of this Interlocal Agreement. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as but not limited to the reference to "reinsurance."
- g. Reimbursable Deductible. The amount that was chosen by this Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the deductible amount as has been paid by the Fund. Further, however, the Fund's obligation to pay damages shall be subject to the limits of liability stated in the Declarations of Coverage or Endorsements to this Interlocal Agreement less the stated deductible amount.
- h. Fund Modifier. A percentage figure that is applied to the manual rates by the Fund to reflect the savings to the Pool Member by entering into this Interlocal Agreement.
- i. Agreement Period. The continuous period since the Pool Member first became a member of this Fund excluding, however, any period or periods of time therein that the member did not participate as a member of the Pool.
- j. Declarations of Coverage. The specific indication of the coverages, limits, deductibles, contributions, and special provisions elected by each individual Pool Member. The Declarations of Coverages may be modified by Endorsement.

The Board, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Pool Members.

In consideration of the execution of this Interlocal Agreement by and between the Pool Member and the Fund and of the contributions of the Pool Member, the coverage elected by the Pool Member is afforded according to the terms of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The affirmative declaration of contributions and limits of liability in the Declarations of Coverage and Endorsements determine the applicability of the Self-Insurance Plan.

Each Pool Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions, and limitations as further provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan or as specifically modified by the Pool Member's Declarations of Coverage. This Interlocal Agreement shall be construed to incorporate the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, Declarations of Coverage, and Endorsements and addenda whether or not physically attached hereto.

4. It is understood that by participating in this risk sharing mechanism to cover cyber liability and data breach response exposures, the Pool Member does not intend to waive any of the immunities that its officers or its employees now possess. The Pool Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations and that by executing this Interlocal Agreement does not agree to expand those limitations.
5. The term of this Interlocal Agreement and the self-insurance provided to the Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Interlocal Agreement until terminated as provided below. Although the self-insurance provided for in this Interlocal Agreement shall be continuous until terminated, the limit of liability of the Fund under the coverages that the Pool Member elects shall be limited during any Fund Year to the amount stated in the Declarations of Coverage for that Fund Year.

This Interlocal Agreement may be terminated by either party giving to the other sixty (60) days' prior written notice of intent to terminate except the Pool Member may terminate this Interlocal Agreement and its coverages thereunder without giving the sixty (60) days' notice if the reason is because of a change by the Fund in the Pool Member's contribution, coverage, or other change in the limits of liability, terms, conditions, exclusions, and limitations provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan provided that no termination by the Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Fund and provided that the Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

The Fund shall provide the Pool Member with Declarations of Coverage and any Endorsements that determine the applicability of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan annually by December 1. Such Declarations of Coverage shall include, but not be limited to, the coverage period which shall be the applicable Fund Year, limits, deductibles, contributions, special provisions, and limitations. Changes made during the Fund Year, whether requested by the Pool Member or required by the Fund, will be handled by Endorsement.

It is the intention of the parties that the Pool Member's coverages under this Interlocal Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the limits of liability that the Fund can provide each Fund Year and the terms, conditions, and limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Pool Member needs the earliest possible information concerning the Fund coverages, limits, and exclusions, and the Pool Member's contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each Fund Year. The parties recognize, however, that conditions in the reinsurance industry are such that the Fund may not be able to provide this information to the Pool Member before the beginning of a Fund Year for various reasons including the failure of the Pool Member to timely submit the appropriate exposure summary or delays on the part of reinsurers in getting information to the Fund, and so, to protect the Pool Member from gaps in its coverage and to protect the solvency of the Fund, the parties agree as follows:

If, for any reason other than the Pool Member's failure to provide the information requested in the exposure summary, the Fund has not been able to provide the Pool Member with information concerning available coverages for a new Fund Year or advise the Pool Member of the amount of its contribution for the new Fund Year by the beginning of the Fund Year, the Fund shall nevertheless continue the Pool Member's coverages at the same limits of liability (if still available and if not, then at the highest limit of liability available for the new Fund Year) so that the Pool Member shall at all times remain covered as herein provided and the Pool Member's initial contributions for the new Fund Year shall be determined by a "tentative contribution" as determined by the Board with the Pool Member's actual annual contribution to be credited by the amount paid in accordance with the tentative contribution and adjusted during the Fund Year. In the event the Pool Member does not wish to have its coverages extended or renewed at the end of any Fund Year, the burden shall be upon the Pool Member to give written notice to the Fund as provided hereinabove and the Pool Member agrees to pay, as hereinabove stated, all contributions or pro rata contributions until the date such written notice is received in the offices of the Fund or the date of termination of this Interlocal Agreement, whichever is later.

6. Commensurate with the execution of this Interlocal Agreement and annually thereafter, the Pool Member shall complete the appropriate exposure summary and deliver it or cause it to be delivered to the Fund, or, if so instructed, to a designated contractor, no later than September 1 of each year and new annual contributions shall be calculated using manual rates times exposure, less any adjustments. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation. In the event that the Pool Member fails or refuses to submit the appropriate exposure summary, the Fund reserves the right to terminate such Pool Member by giving thirty (30) days' written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

The Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of this Interlocal Agreement with subsequent installments due the first quarter thereafter. In the event this Interlocal Agreement is terminated as herein provided, the Fund shall promptly repay to the Pool Member any such unearned annual contribution prorated as of the date of termination and the Pool Member agrees during the term of this Interlocal Agreement to promptly pay all reimbursable deductibles upon receipt of statement.

At the end of each and every Fund Year, the Fund may require the Pool Member to submit the actual data requested on the exposure summary as reflected by the books and records of the Pool Member. The Fund reserves the right to audit the records of any Pool Member and adjust contributions accordingly.

In the event that the Pool Member fails or refuses to make the payments, including accrued interest, as herein provided, the Fund reserves the right to terminate such Pool Member by giving them ten (10) days' written notice and to collect any and all amounts that are earned pro rata for the period preceding contract termination. If the amounts owed, including reimbursable deductibles, must be collected by suit, the Pool Member agrees to pay attorneys' fees and costs incurred in such suit.

The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. Aggregate protection shall also be maintained. The Member's contributions shall be limited to that amount as calculated under this Interlocal Agreement. Notwithstanding anything to the contrary, the total combined aggregate limit of liability of the Fund for all Pool Members in any Fund Year, regardless of the number of occurrences or claims, shall be limited to the amount of money contained in the Fund. As to the Pool annual aggregate limits or the amount of money in the Fund, the Board of Trustees, in its sole discretion, may determine an allocation methodology among affected Pool Members should the Pool annual aggregate limit be reached, or should the money in the Fund be exhausted.

Notwithstanding the provisions of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend coverages as it finds available or deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.

The Fund will make available loss control services to the Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Pool Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations. In the event that the recommendations submitted seem unreasonable, the Pool Member has a right to appeal to the Board. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decisions will be final and binding on all parties. Any Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.

0. The Pool Member agrees that it will appoint a contact of department head rank, and the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the contact shall be binding upon the Pool Member. The Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
1. The Fund agrees to handle all cyber liability and data breach response claims, and provide a defense for any and all cyber liability and data breach response claims covered under this Interlocal Agreement after prompt notice has been given. The Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Interlocal Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects cyber liability and data breach response claims, the Fund staff and Contractors shall carry on all negotiations with the claimant and his/her attorney, when applicable, and negotiate within authority previously granted by the Fund. If a personal appearance by the Pool Member or an employee is necessary, the expense of this appearance will not be the responsibility of the Fund. With the advice and consent of the Fund, the Fund staff and the Contractors will retain and supervise legal counsel for the prosecution and defense of any litigation. All decisions on individual cases shall be made by the Fund through the Fund staff and the Contractors, which include, but are not limited to, the decision to appeal or not to appeal, settlement negotiations, the decision of whether to settle, and other litigation tactics. However, any Pool Member shall have the right in any case to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Pool Member and/or its officers or employees. There shall be supplied periodically to each Pool Member a computer printout involving a statement of claims. As respects the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, the Fund shall have priority in enforcing its subrogation claims against the claims of Pool Member.
2. The Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
3. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
4. If legally required, the Fund shall cause to be filed the necessary tax forms with the Internal Revenue Service.

15. As the administrators of the Fund, the Board shall primarily and consistently keep foremost in their deliberations and decisions in operating the Fund that each of the participating Pool Members is a "self-insured." At least annually, the Board shall carefully review, study, and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Pool Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Pool Member, and the pro rata portion of the cost of all catastrophic loss protection and aggregate stop loss protection allocated to each Pool Member as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Pool, in order to reasonably determine the actual pro rata cost, expense, and loss experience of each Pool Member in order to maintain as nearly as possible an equitable and reasonable self-insurance administration of the Fund as applied to each Pool Member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due, subject to paragraph 7 above. The Board has complete authority to determine all matters pertaining to the existence and dissolution of the Fund.

16. Venue of any suit or action arising out of or related to this Interlocal Agreement shall be exclusively in the state and federal courts of Travis County, Texas. The parties agree they shall assume their own expenses for attorney's fees in any suit or action arising out of or related to this Interlocal Agreement.

17. The parties agree this Interlocal Agreement may be executed by original written ink signature on paper documents, an exchange of copies showing the original written ink signature on paper documents, or electronic or digital signature technology in such a manner that the signature is unique and verifiable to the person signing. The use of any one or combination of these methods of execution shall constitute a legally binding and valid signing of this Interlocal Agreement, which may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

EMPLOYER MEMBERS' FUND CONTACT (See Section 10):

Member Name _____

Name of Contact _____ Title _____

Mailing Address _____ Email Address _____

Street Address (if different from above) _____

City _____ Zip _____ Phone _____

SIGNATURE OF AUTHORIZED MEMBER OFFICIAL

Title _____ Date _____

Member's Federal Tax I.D. Number _____

This Information is MANDATORY

TO BE COMPLETED BY FUND: (OFFICE USE ONLY)

Effective Date of This Agreement _____

Member Name _____

Contract Number _____

SIGNATURE OF AUTHORIZED FUND OFFICIAL

Title _____ Date _____