

**AGREEMENT FOR MANAGEMENT SERVICES  
BETWEEN THE CITY OF SCHERTZ AND  
THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION**

**THE STATE OF TEXAS**

**KNOWN ALL BY THESE PRESENTS:**

**COUNTY OF GUADALUPE**

**THIS AGREEMENT**, executed the 15 day of August, **2019** by and between the City of Schertz, a municipal corporation, acting by and through its City Manager, situated in Guadalupe County, Texas (hereinafter referred to as "Schertz"), and the Schertz/Seguin Local Government Corporation (hereinafter referred to as "SSLGC") acting by and through its General Manager is as follows:

**WITNESSETH:**

**I.**

Schertz agrees to provide certain management, administrative, operational, and customer relations, to SSLGC according to the terms of this Agreement. The General Manager of SSLGC shall be an employee of Schertz but shall be assigned to SSLGC and shall be charged with the responsibility of carrying out SSLGC's operations and programs as adopted by the SSLGC Board. SSLGC agrees that the General Manager may be terminated as an employee only by Schertz, but as long as this Agreement remains in effect, Schertz shall consult with SSLGC prior to terminating the General Manager. Direct services Schertz shall perform for SSLGC pursuant to this Agreement shall include, but not limited to the following:

1. Assist the SSLGC General Manager in preparing a budget for the forthcoming year for review and approval by the SSLGC Board and City Councils of Schertz and Seguin.
2. Providing professional development and succession planning training to the General Manager to enable them to provide long term strategic leadership to SSLGC.
3. (Subject to Article IX of this Agreement) providing risk management services in accordance with the requirement of the SSLGC's bond resolutions, the water supply agreement with Schertz and the City of Seguin, the terms of this Agreement, and directives of the SSLGC Board.

Schertz's services under this agreement are subject to oversight and direction by the SSLGC Board. Schertz will procure SSLGC Board approval for all contracts and management decisions affecting SSLGC and governed by the terms of this Agreement. In performing its duties under this Agreement, Schertz shall act for the benefit of SSLGC and not of any individual in the SSLGC water project.

**II.**

SSLGC shall reimburse Schertz the cost for the management services provided to SSLGC by Schertz pursuant to this Agreement as described in the following paragraph. Such payments shall be paid on a quarterly basis and payable by the 25<sup>th</sup> day April, July, October and January.

To compensate Schertz for the costs it will incur to perform the services described in this Agreement, SSLGC will reimburse Schertz the actual expenditures incurred, not to exceed the SSLGC fiscal year 2019-2020 total budget. The SSLGC Board will establish the amount of reimbursement to be paid to Schertz for services under this Agreement for each subsequent fiscal year during SSLGC's budget process. Schertz will have the right at any time during a fiscal year to seek additional reimbursement if Schertz reasonably determines that the budgeted amount is inadequate to compensate Schertz for the costs it incurs on behalf of SSLGC in providing services under this agreement. Projected cash shortages resulting from unplanned costs related SSLGC operations and the services to be provided by Schertz under this Agreement will be brought to the immediate attention of the SSLGC Board.

The SSLGC Board or SSLGC General Manager will have the right during normal business hours upon three business days' prior written notice, to audit, examine, or reproduce any or all books and records of Schertz related to the performance of its duties under this Agreement.

In the event of the termination of this Agreement, SSLGC will be responsible for paying Schertz only the portion of the cost allocated to periods prior to the effective date of termination.

### III.

It is the express purpose of this Agreement to have Schertz, through the SSLGC General Manager, implement, administer, and carry out the duties required for the operations of the public water systems owned by SSLGC.

### IV.

Schertz acknowledges that the City of Seguin, the City of Schertz, and the Schertz/Seguin Local Government Corporation have entered into a Cost Allocation Agreement Relating to the Guadalupe Project.

### V.

Schertz acknowledges that the City of Seguin, the City of Schertz, and the Schertz/Seguin Local Government Corporation have entered into a Tri-Lateral Agreement Relating to Water Sales.

### VI.

Schertz acknowledges that the SSLGC General Manager is responsible for supervision and leadership of all SSLGC Staff. He/She will develop, with Board and Executive Committee approval, an organizational chart and lines of responsibility for all leadership positions to include but not be limited to an Operations Manager and Water Superintendent for the efficient and appropriate operations of the corporation. These positions and/or others not named here shall be filled or left

vacant by the General Manager as they see fit with the approval of the SSLGC Board and Executive Committee.

The General Manager will participate in the annual review process of all SSLGC Operations Personnel, be informed of any personnel actions and provide for the annual review of the Operations Manager, and Administrative Staff.

## VII.

The SSLGC Administrative Building at 108 W. Mountain Street, Seguin, Texas 78155, will be known as the location of the SSLGC Administrative Office and SSLGC meeting site.

## VIII.

Subject to early termination as provided in Article VII below, this Agreement shall be in effect for a period of one year commencing **OCTOBER 1, 2019** and ending **SEPTEMBER 30, 2020**, unless otherwise renewed or extended at the discretion of both parties.

## IX.

### **TERMINATION:**

1. This Agreement may be terminated by Schertz or SSLGC, in whole, or from time to time in part, upon ninety (90) day written notice from the terminating party to the other party. The effective date of termination shall be ninety (90) days after delivery of Notice of Termination specifying to what extent performance or work under the Agreement shall be terminated ninety (90) days after receipt by the notified party.
2. After receipt of a Notice of Termination Schertz shall:
  - a. Stop work on the date as specified in the Notice of Termination to extent possible.
  - b. Place no further orders or subcontracts except as may be necessary for completion of the work not terminated.
  - c. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination in so far as possible.
  - d. SSLGC shall pay expenses incurred through the date of termination.

## X.

It is expressly understood that Schertz and SSLGC each retain the right to pursue other avenues for development and operation of public water systems, when it is determined to be in the best interest of Schertz or SSLGC to do so, and this Agreement shall not limit either Schertz's right or SSLGC's right to pursue such interests.

**XI.**

It is the intent of the parties for SSLGC to acquire, after consultation with Schertz, insurance and other risk management programs to protect SSLGC, its property, and its participants.

To the extent permitted by law and to the extent SSLGC is protected by insurance or other risk management program, SSLGC shall defend, indemnify and hold harmless Schertz from and against claims, demands, actions, judgments, and liabilities asserted by any person other than SSLGC arising out of the performance by Schertz of its services on behalf of, and as agent of, SSLGC under this Agreement, except such claims, demands, actions, judgments, and liability arising out of the willful misconduct or gross negligence of Schertz.

**XII.**

This Agreement shall take effect on the 1<sup>st</sup> day of OCTOBER, 2019.

IN WITNESS WHEREOF, the parties have executed this Contract in the year and on the day indicated.

**SCHERTZ/SEGUIN LOCAL  
GOVERNMENT CORPORATION  
P.O. Box 833  
Seguin, Texas 78156**

**CITY OF SCHERTZ, TEXAS  
1400 Schertz Parkway  
Schertz, Texas 78154**

  
Amber Beard, General Manager

\_\_\_\_\_  
Mark Browne, City Manager

08/15/2019  
Date

\_\_\_\_\_  
Date