

Contract for Billing Services

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

THIS AGREEMENT is for the purchase of billing services between the City of Seguin, Texas, a home rule city and political subdivision of the State of Texas, herein called "City" and the Springs Hill Water Supply Corporation, a member- owned, non-profit corporation to furnish water supply for domestic purposes in rural communities in Guadalupe County, Texas and surrounding rural areas, herein called "Corporation." City owns, operates, and is certified to provide customers service through its sanitary sewer collection system within portions of the Corporation's service area in Guadalupe County, Texas. Corporation owns and, pursuant to law, operates a water distribution system, a portion of which is located in the area City provides sanitary sewer collection service, and provides potable water service to the same customers which use City's sanitary sewer system. City has asked the Corporation to provide City with billing service for monthly, individual, customer sewer service charges to its common customers and Corporation has agreed to do so. The Corporation and City therefore agree as follows:

1. Upon the effective date of this Agreement, Corporation shall continue to provide billing services for City's sewer customers who exist within the Corporation's service area.
2. As new customers are added to locations with existing water and sewer service, Corporation shall take applications and initiate said services. Corporation shall notify such customers of all applicable fees and rates to be charged and the manner of billing for the sewer service. Before initiating service, Corporation shall require that customer show they have signed up for garbage/recycling with the City. Corporation is to initiate billing on the next immediate billing cycle and continue to bill such customer until otherwise notified of the cessation of the sewer service. The Corporation shall bill such customers at the City's established rates and shall receive the payments made for such charges and any penalties for late payments of such charges.
3. As new sewer taps/connections are made to City sewer mains, City shall notify such customers of all appropriate fees and rates charged and the manner of billing for the sewer charges, and shall collect and retain the connection fees. City shall notify Corporation to initiate billing on the next immediate billing cycle and Corporation shall continue to bill such customer until otherwise notified of the cessation of the sewer service. The Corporation shall bill such customers at the City's established rates and shall receive the payments made for such charges and any penalties for late payments of such charges.
4. Corporation shall bill City's customers on the cycle of approximately thirty days duration for which it bills its own customers. As compensation for these services, City shall pay the Corporation's actual billing costs, as charged by the Corporation's third-party billing company, per sewer customer, per month. This compensation shall be retained by the Corporation from its monthly payment to the City.

5. On or before the fifteenth day of each month, Corporation will submit payment and a monthly billing report to the City for the sewer charges collected from all of City's customers for the previous calendar month. The billing report shall also include a listing of all new customers added in that calendar month.
6. In the event customers of the City's sewer system fail to pay charges submitted by the Corporation on behalf of the City on or before fifteen (15) days after the date of billing, then Corporation will charge and collect from such customers ten percent (10%) of the amount originally billed attributable to the City's charges as a penalty for late payment.
7. City shall notify Corporation in writing of any change in sewer and other City service rates at least thirty (30) days prior to the date that such rates shall become effective.
8. Corporation shall be obligated to suspend water service where City's sewer service charges are not paid and/or when City so directs. Because of hearing requirements, Corporation shall follow its standard cut-off procedures in terminating service to a customer. Partial payments on any account shall be applied on a pro rata basis among all services.
9. This Contract shall be in effect for a period of five (5) years from the date of execution by the parties thereto, provided, however, this Contract may be canceled by either party hereto at any time effective at the end of the first billing cycle falling on or after sixty (60) days after written notice of cancellation is received by either party.

WITNESS OUR HANDS this _____ day of _____ 2019.

ATTEST:

SPRINGS HILL WATER SUPPLY CORPORATION

Secretary

Atilano Aguero
General Manager

ATTEST:

CITY OF SEGUIN, TEXAS

Naomi Manski
City Secretary

Rick Cortes
Acting City Manager

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BEFORE ME, the undersigned authority, on this day personally appeared **Rick Cortes, known to me to be the person whose name is subscribed to the foregoing instrument as Acting City Manager of the City of Seguin, Texas**, a home rule city, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2019.

Notary Public in and for
The State of Texas
My Commission Expires: _____

SEAL

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BEFORE ME, the undersigned authority, on this day personally appeared **Atilano Agüero, General Manager of the Springs Hill Water Supply Corporation, a Texas non-profit Corporation**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said authority.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2019.

Notary Public in and for
The State of Texas
My Commission Expires: _____

SEAL