

# Memorandum

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Date: November 19, 2020

To: Seguin City Council

From: Amber Beard  
SSLGC General Manager

Re: Management Services Agreement

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The Schertz/Seguin Local Government Corporation (SSLGC) was created as a wholesale water supply system for the cities of Schertz and Seguin. The Carrizo Aquifer is utilized for this purpose to benefit both cities. SSLGC was formed in December 1998 and is governed by a board which consists of five directors and two ex-officios appointed by the city councils of Schertz and Seguin. SSLGC began water production in September 2002 and has continued to grow to serve the Cities of Schertz and Seguin as their primary water source. SSLGC maintains a strong wholesale water customer base including contracts with the Cities of Selma, Universal City, as well as Springs Hill Water Supply Corporation and the San Antonio Water System.

On September 17, 2020, the Schertz/Seguin Local Government Board of Directors approved the Management Services Agreement between the SSLGC and the City of Seguin effective October 1, 2020 through December 31, 2020. On November 19, 2020, the Schertz/Seguin Local Government Board of Directors approved an extension of the Management Services Agreement between the SSLGC and the City of Seguin effective January 1, 2021 through January 31, 2021.

The SSLGC Executive Committee desires to combine the Management Services Agreements (formerly two separate agreements between each city and SSLGC) into one document. The SSLGC Executive Committee has worked together over the last few months towards substantial changes to the agreement. Significant changes to the MSA are listed below.

- The previous MSA stated that 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. The new MSA states that it is the express purpose of this contract to have the SSLGC General Manager implement, administer, and carry out the duties required for the operations of the public water systems owned by SSLGC.
- In both the previous and new MSA, the City of Seguin agrees to provide financial, human resource, information technology, and administrative services to SSLGC. The previous MSA stated that Seguin would provide all personnel administration services for all full-time and part-employees except the General Manager. In addition, the previous MSA stated that Seguin shall be responsible for hiring, evaluation, and/or termination of personnel and that Seguin shall consult with SSLGC prior to terminating any SSLGC personnel. The new MSA under the Seguin section (III. Duties and Responsibilities, A.) states that the General Manager shall

be responsible for hiring, evaluation, and/or termination of personnel, who shall be City of Seguin employees; assigned to SSLGC. The new agreement adds that the General Manager shall recommend pay scales and salary changes to include but not limited to cost of living/merit increases for all SSLGC positions to the SSLGC Board for approval.

- The previous MSA listed the General Manager as a City of Schertz employee with all remaining employees as City of Seguin employees. The new MSA states that the General Manager and Assistant General Manager are City of Schertz employees.
- In the previous MSA, SSLGC staff had different holiday schedules due differing holiday schedules of City of Schertz and the City of Seguin. The new MSA states that the SSLGC Board shall establish an annual holiday schedule for all positions serving the Corporation.
- The previous MSA stated that the General Manager may be terminated as an employee only by the City of Schertz and that Schertz shall consult with SSLGC prior to terminating the General Manager. The new MSA states that the General Manager may be hired/terminated as an employee by a 2/3 majority vote of the entire SSLGC Board and that the SSLGC Board shall consult with the Cities of Schertz and Seguin prior to hiring/terminating the General Manager. In addition, the new MSA states that the General Manager will receive performance evaluations from the SSLGC Board and may be subject to certain disciplinary action directed by the SSLGC Board subject to Schertz administrative process. In addition, the new agreement clarifies that the General Manager's salary, to include cost of living/merit increases, shall be set by the SSLGC Board and all adjustments approved by the SSLGC Board.

The agreement will be effective January 1, 2021 through September 30, 2022 unless otherwise renewed or extended at the discretion of both parties.

SSLGC seeks to continue the Management Services Agreement with the City of Seguin and recommends approval.



Amber Beard  
SSLGC General Manager

cc: File