

**City Council
Agenda Memo**



**City Council
Meeting Date: Aug 8, 2013**

TO: Larry D. Gilley, City Manager

FROM: Rodney Taylor, Assistant Director of Water Utilities

SUBJECT: Resolution authorizing Addendum I to the Water Supply Contract with Steamboat Mountain Water Supply Corporation for increasing the Maximum Daily Flow Rate for Delivery Point No. 1.

GENERAL INFORMATION

The City of Abilene is a regional water supplier to satellite cities and communities through Water Supply Contracts in which Abilene agrees to sell potable water to four satellite cities, eight Water Supply Corporations, Dyess AFB, and it also treats water for one other City. The Water Supply Contract (Contract), made March 1, 2004, between the City of Abilene and the Steamboat Mountain Water Supply Corporation (SMWSC) provides that Abilene will sell potable water to the SMWSC. The Contract provides for two delivery points.

The Texas Commission on Environmental Quality (TCEQ) notified the SMWSC that it does not provide sufficient production capacity. The Maximum Daily Flow Rate (Flow Rate) in the Contract is not sufficient to meet the minimum requirement. The SMWSC is requesting to increase the Flow Rate currently contained in the Contract in order to remedy the situation. The SMWSC contracted with a Professional Engineer to evaluate its distribution system. The Engineer recommends increasing the Flow Rate for Delivery Point No. 1 from 700 gallons per minute (gpm) up to 1,100 gpm. The Engineer, along with City staff, evaluated the impact that the proposed Flow Rate would have on the City's distribution system and determined that the proposed increase in the Flow Rate would not have a significant impact on current system operation, nor does it require acceleration or expansion of planned system improvements as identified in the 2010 Water Master Plan.

The attached resolution authorizes the Mayor to execute Addendum I to the Contract with SMWSC, thereby increasing the Flow Rate for Delivery Point No. 1 as described above. All other terms, provisions, and obligations in the Water Supply Contract effective January 1, 2004 remain in force and effect.

FUNDING/FISCAL IMPACT

N/A

RECOMMENDATION

Staff recommends approval.

ATTACHMENTS

Resolution
Addendum I

ADDENDUM I

TO WATER SUPPLY CONTRACT WITH THE STEAMBOAT MOUNTAIN WATER SUPPLY CORPORATION

WHEREAS, the City of Abilene, Texas (“CITY”) and the Steamboat Mountain Water Supply Corporation (“PURCHASER”) have entered into a Water Supply Contract made on March 1, 2004 whereby CITY has agreed to sell and provide water to PURCHASER for rural residential and rural agricultural uses; and

WHEREAS, Steamboat Mountain Water Supply Corporation owns and operates a potable water supply system serving rural customers residing outside the Abilene City limit, and the Purchaser receives water through two metered Delivery Points to the Abilene Public Water Supply; and

WHEREAS, Steamboat Mountain Water Supply Corporation was notified by the Texas Commission on Environmental Quality (TCEQ) that it does not provide sufficient production capacity, and the TCEQ advised that it must increase its maximum daily flow rate currently contained in its water supply contract with the City of Abilene, and it is therefore requesting to increase its maximum daily flow rate currently contained in the Contract; and

WHEREAS, Steamboat Mountain Water Supply Corporation contracted with a Professional Engineer to evaluate both the SMWSC and the Abilene distribution systems, and the Engineer recommended increasing the maximum daily flow rate for Delivery Point No. 1 from 700 gallons per minute (gpm) up to 1,100 gpm; and

WHEREAS, the Engineer and City staff did evaluate the impact that the proposed increase in maximum daily flow rate at Delivery Point No. 1 would have on the City’s distribution system and determined that the proposed increase in the maximum daily flow rate would not have a significant impact on current system operation, nor does it require acceleration or expansion of planned system improvements as identified in the 2010 Water Master Plan; and

WHEREAS, The Abilene City Council and the Corporation’s Board of Directors must each approve any modification to the Water Supply Contract.

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

1. Section II.B. of the Water Supply Contract is amended to strike the words “Delivery Point No. 1 – 700 gallons per minute” and insert the words “Delivery Point No. 1 – 1,100 gallons per minute”.
2. All other terms, provisions, and obligations in the Water Supply Contract effective January 1, 2004 remain in force and effect.

WITNESS OUR HANDS THIS ____ DAY OF _____, 2013.

CITY OF ABILENE, TEXAS

**STEAMBOAT MOUNTAIN WATER
SUPPLY CORPORATION**

By: _____
Mayor

By: _____
Board President

ATTEST:

City Secretary

Board Secretary

APPROVED AS TO FORM:

City Attorney

Corporation's Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AUTHORIZING AN AMENDMENT TO THE EXISTING WATER SUPPLY CONTRACT BETWEEN THE CITY OF ABILENE AND THE STEAMBOAT MOUNTAIN WATER SUPPLY CORPORATION BY INCREASING THE MAXIMUM DAILY FLOW RATE

WHEREAS, The City of Abilene (City) is currently a regional supplier of potable water to area cities and rural water supply corporations including the Steamboat Mountain Water Supply Corporation (SMWSC); and

WHEREAS, The SMWSC owns a potable water distribution system serving rural customers existing outside the Abilene City limit, and the current Water Supply Contract (Contract) describes two metered Delivery Point connections to the Abilene Water system; and

WHEREAS, SMWSC was notified by the Texas Commission on Environmental Quality (TCEQ) that it does not provide sufficient production capacity, and the TCEQ advised the SMWSC that it must increase its maximum daily flow rate currently contained in its Contract with the City of Abilene, and the SMWSC is requesting to increase its maximum daily flow rate currently contained in the Contract; and

WHEREAS, Steamboat Mountain Water Supply Corporation contracted with a Professional Engineer to evaluate both the SMWSC and the Abilene distribution systems, and the Engineer recommended increasing the maximum daily flow rate for Delivery Point No. 1 from 700 gallons per minute (gpm) up to 1,100 gpm; and

WHEREAS, the Engineer and City staff did evaluate the impact that the proposed increase in maximum daily flow rate at Delivery Point No. 1 would have on the City's distribution system and determined that the proposed increase in the maximum daily flow rate would not have a significant impact on current system operation, nor does it require acceleration or expansion of planned system improvements as identified in the 2010 Water Master Plan; and

WHEREAS, it is required that the Abilene City Council and the Corporation's Board of Directors must each approve any modification to the Water Supply Contract.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: That the Honorable Mayor of the City of Abilene is hereby authorized to execute Addendum I to the existing Water Supply Contract between the City of Abilene and the Steamboat Mountain Water Supply Corporation thus approving the increase in the maximum daily flow rate of Delivery Point No. 1 to 1,100 gpm.

ADOPTED this _____ day of _____, 2013.

APPROVED:

Norm Archibald, Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney