

City Council  
Agenda Memo



City Council  
Meeting Date: Jul 24, 2014

**TO:** Larry D. Gilley, City Manager

**FROM:** Rodney Taylor, Assistant Director of Water Utilities

**SUBJECT:** Resolution Authorizing Addendum II to the Water Supply Contract with View-Caps Water Supply Corporation for increasing Maximum Daily Flow Rates

**GENERAL INFORMATION**

The City of Abilene Water Department is requesting that by written resolution the City Council approve Addendum II to the Water Supply Contract (Contract) between the City of Abilene and the View-Caps Water Supply Corporation (VCWSC). Addendum II allows for increasing the Maximum Daily Flow Rate (MDFR) for Delivery Points No. 5, 6, and 8. Addendum I, approved July 23, 2009, was for the relocation of Delivery Points No. 1 and No. 8, and for the increase of the MDFR for Delivery Point No. 1.

The VCWSC, a wholesale customer of Abilene, owns a potable water distribution system serving rural customers existing primarily outside the Abilene City limit. The Contract describes eight metered Delivery Point connections to Abilene's water system. The Texas Commission on Environmental Quality (TCEQ) requires that the Contract provides adequate supply to meet the calculated demand of the retail system based on the number of connections it serves. The demand of VCWSC exceeds 85% of its contracted supply and therefore it must make plans for additional supply. The VCWSC contracted with a Professional Engineer to evaluate its distribution system, and the Engineer recommends changing the MDFR as described below:

<b>Delivery Point</b>	<b>Current MDFR</b>	<b>Proposed MDFR</b>	<b>Net Change in MDFR</b>
5	150 gpm	225 gpm	75 gpm
6	150 gpm	225 gpm	75 gpm
8	350 gpm	510 gpm	160 gpm
7 (eliminate)	10 gpm	0 gpm	-10 gpm

The Engineer, along with City staff, evaluated the impact that the proposed increases of the MDFR's would have on the City's distribution system and determined that the proposed increases 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. Addendum II will increase the MDFR's as described above. All other terms, provisions, and obligations in the Water Supply Contract effective January 1, 2004, as amended, remain in force and effect.

**STAFF RECOMMENDATION**

Staff recommends that the City Council authorize, by written Resolution, Addendum II to the Water Supply Contract with VCWSC, as described above.

**ATTACHMENTS**

Resolution  
Addendum II

Prepared by:

Name Rodney Taylor

Title Asst. Water Director

Item No. 6.14

Disposition by City Council

- Approved Ord/Res# \_\_\_\_\_
- Denied \_\_\_\_\_
- Other \_\_\_\_\_

\_\_\_\_\_  
City Secretary

**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 VIEW-CAPS WATER SUPPLY CORPORATION BY INCREASING THE MAXIMUM DAILY FLOW RATES**

**WHEREAS**, The City of Abilene (City) is currently a regional supplier of potable water to area cities and rural water supply corporations including the View-Caps Water Supply Corporation (VCWSC); and

**WHEREAS**, VCWSC owns a potable water distribution system serving rural customers existing outside the Abilene City limit, and the current Water Supply Contract describes eight metered Delivery Point connections to the Abilene Water system; and

**WHEREAS**, the Texas Commission on Environmental Quality (TCEQ) requires that the Water Supply Contract provides adequate supply to meet the calculated demand of the VCWSC retail system based on the number of connections it serves, and the demand of VCWSC exceeds 85% of its contracted supply and therefore it must make plans for additional supply; and

**WHEREAS**, the View-Caps Water Supply Corporation contracted with a Professional Engineer to evaluate its distribution system, and the Engineer recommends that the Maximum Daily Flow Rate for Delivery Points No. 5, 6, and 8 be increased and that Delivery Point No. 7 be eliminated resulting in a combined net increase of 300 gallons per minute to the Water Supply Contract; and

**WHEREAS**, City staff did evaluate the Purchaser's request for the increase in Maximum Daily Flow Rate of Delivery Points No. 5, 6, and 8 and has determined that the increase does not require acceleration or expansion of planned system improvements as identified in the 2010 Abilene Water Distribution System Master Plan; and

**WHEREAS**, it is required that the Abilene City Council and the Corporation's Board of Directors must each approve of a modification to the Water Supply Contract for the increase in the Maximum Daily Flow Rate of Delivery Points No. 5, 6, and 8, and the elimination of Delivery Point No. 7.

**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 II to the existing Water Supply Contract between the City of Abilene and the View-Caps Water Supply Corporation thus approving the increase in the Maximum Daily Flow Rate of Delivery Points No. 5, 6, and 8, and the elimination of Delivery Point No. 7.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**APPROVED:**

\_\_\_\_\_  
Norm Archibald, Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

## **ADDENDUM II**

### **TO WATER SUPPLY CONTRACT WITH THE VIEW-CAPS WATER SUPPLY CORPORATION**

**WHEREAS**, the City of Abilene, Texas (“CITY”) and the View-Caps 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**, Addendum I of the Water Supply Contract was approved July 15, 2009 allowing for the relocation of Delivery Point No. 1 and Delivery Point No. 8, and increasing the Maximum Daily Flow Rate of Delivery Point No. 1 from 150 gallons per minute up to 185 gallons per minute; and

**WHEREAS**, View-Caps 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 eight metered Delivery Points to the Abilene Public Water Supply; and

**WHEREAS**, the Texas Commission on Environmental Quality (TCEQ) requires that the Water Supply Contract provides adequate supply to meet the calculated demand of the VCWSC retail system based on the number of connections it serves, and the demand of VCWSC exceeds 85% of its contracted supply and therefore it must make plans for additional supply; and

**WHEREAS**, View-Caps Water Supply Corporation contracted with a Professional Engineer to evaluate its distribution system, and the Engineer recommends that the Maximum Daily Flow Rate for Delivery Points No. 5, 6, and 8 be increased and that Delivery Point No. 7 be eliminated resulting in a combined net increase of 300 gallons per minute to the Water Supply Contract; and

**WHEREAS**, City staff did evaluate the Purchaser’s request for the increase in Maximum Daily Flow Rate of Delivery Points No. 5, 6, and 8 and has determined that the increase does not require acceleration or expansion of planned system improvements as identified in the 2010 Abilene Water Distribution System Master Plan; and

**WHEREAS**, The Abilene City Council and the Corporation’s Board of Directors must each approve of a modification to the Water Supply Contract for the increase in the Maximum Daily Flow Rate of Delivery Points No. 5, 6, and 8, and the elimination of Delivery Point No. 7; and

**NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED** as follows:

1. Section II.A. of the Water Supply Contract is amended as follows:
  - strike the words “Delivery Point No. 7 (meter #694) – 5126B Antilley Road”
  
2. Section II.B. of the Water Supply Contract is amended as follows:
  - strike the words “Delivery Point No. 5 – 150 g.p.m.” and insert the words “Delivery Point No. 5 – 225 g.p.m.”
  - strike the words “Delivery Point No. 6 – 150 g.p.m.” and insert the words “Delivery Point No. 6 – 225 g.p.m.”
  - strike the words “Delivery Point No. 7 – 10 g.p.m.”
  - strike the words “Delivery Point No. 8 – 350 g.p.m.” and insert the words “Delivery Point No. 8 – 510 g.p.m.”
  
3. All terms, provisions, and obligations in the Water Supply Contract effective January 1, 2004, as amended, remain in force and effect.

**WITNESS OUR HANDS THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

**CITY OF ABILENE, TEXAS**

**VIEW-CAPS WATER SUPPLY CORPORATION**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Board President

ATTEST:

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Board Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Corporation’s Attorney