RESOLUTION NO. 85-1985

GENERAL CERTIFICATE

THE STATE OF TEXAS
COUNTIES OF TAYLOR AND JONES
CITY OF ABILENE

We, the undersigned officers of said City, hereby certify as follows:

1. That this certificate is executed for and on behalf of said City with reference to the issuance of the proposed WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT UNLIMITED TAX AND REVENUE REFUNDING BONDS, SERIES 1985, dated August 1, 1985.

2. That said City is a duly incorporated Home Rule City, having more than 5000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of said City, which Charter has not been changed or amended since the passage of the ordinance authorizing the issuance of the most recently dated, issued and outstanding bonds of said City, being City of Abilene, Texas General Obligation Bonds, Series 1984.

3. That no litigation of any nature has ever been filed pertaining to, affecting, questioning or contesting: (a) the resolution which authorized said District's proposed bonds described in paragraph 1 of this certificate; (b) the issuance, execution, delivery, payment, security or validity of said proposed bonds, (c) the authority of the City Council and the officers of said City to authorize and execute a contract with said District.

SIGNED AND SEALED the 22nd day of August, 1985.

[Signature]
City Secretary

[Signature]
Mayor

SEAL
CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
COUNTIES OF TAYLOR AND JONES
CITY OF ABILENE

We, the undersigned officers of said City, hereby certify as follows:

1. The City Council of said City convened in REGULAR MEETING ON THE 22ND DAY OF AUGUST, 1985, at the City Hall, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

David Stubbeman, Mayor
Patricia Ann Patton, City Secretary
A. E. Fogle, Jr.
Walter E. Wheat
Betty Ray
Gary D. McCaleb
Welton Robinson
Harold D. Nixon

and all of said persons were present, except the following absentees: thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written RESOLUTION AUTHORIZING EXECUTION OF WATER CONTRACT AMENDMENT WITH WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: All members of said City Council shown present above voted "Aye".

NOES: None.

2. That a true, full and correct copy of the aforesaid Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officials and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Vernon's Ann. Civ. St. Article 6252-17.

3. That the Mayor of said City has approved and hereby approves the aforesaid Resolution; that the Mayor and the City Secretary of said City have duly signed said Resolution; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED the 22nd day of August, 1985

City Secretary
Mayor

SEAL
RESOLUTION AUTHORIZING EXECUTION OF WATER CONTRACT AMENDMENT WITH WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT

WHEREAS, the City of Abilene (hereinafter called "City") did originally enter into a Water Contract dated September 10, 1959 (hereinafter called "Water Contract") between the City and the West Central Texas Municipal Water District (hereinafter called "District"); and

WHEREAS, it is deemed advisable by the governing bodies of both the District and the City that such Water Contract be amended; and

WHEREAS, the District has adopted a bond resolution concurrently herewith authorizing the issuance of West Central Texas Municipal Water District Revenue Bonds Series 1959-195 to refund all of the outstanding Water Contract Amendment No. 11 Refunding Bonds Series 1959-195, entered into between the City and the District, and

WHEREAS, it is hereby officially found and determined that a case of emergency or urgent public necessity exists which requires the holding of the meeting at which this Resolution is passed, and that said meeting was open to the public and was designated as required by Texas Civil Statute.

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

1. That the Mayor and City Secretary are hereby authorized to execute Water Contract Amendment No. 11 Refunding Bonds Series 1959-195, and

2. That the officers and employees of the City are hereby directed to aid the District in the execution of Water Contract Amendment No. 11 Refunding Bonds Series 1959-195, as provided by resolution of this City Council.

ADOPTED AND APPROVED this 22nd day of August, 1965.

Mayor

City Secretary

City of Abilene

SUBMITTED TO AND APPROVED BY ME FOR ADOPTION:

City Attorney
WATER CONTRACT
AMENDMENT NO. 1

THE STATE OF TEXAS
COUNTIES OF TAYLOR, SHACKELFORD, JONES AND STEPHENS

West Central Texas Municipal Water District (hereinafter called "District"), a conservation and reclamation district, created by Art. 8280-162, as amended, V.A.T.C.S., pursuant to Art. 16, Section 59 of the Texas Constitution and the City of Abilene, a municipal corporation in Taylor and Jones Counties, Texas, and situated within the District (hereinafter called the "City") have entered into a Water Contract dated September 10, 1959 (hereinafter called "Contract"); and

WHEREAS, the District has previously authorized West Central Texas Municipal Water District Water Supply Bonds, Series 1960, now outstanding in the principal amount of $3,555,000, and West Central Texas Municipal Water District Water Supply Bonds, Series 1971, now outstanding in the principal amount of $720,000 (hereinafter called "Outstanding Bonds") that will be refunded by the issuance of West Central Texas Municipal Water District Unlimited Tax and Revenue Refunding Bonds, Series 1985 (hereinafter called "Bonds"), pursuant to a Bond Resolution to be adopted by the Board of Directors of the District (hereinafter called "Bond Resolution"); and

WHEREAS, the District and the City have determined that it is necessary to amend the Water Contract of September 10, 1959 between the District and the City to recognize the issuance of the Bonds to refund the Outstanding Bonds, and the allocation of the quantity of water that the City of Abilene may receive due to construction of a parallel water transmission line that the District may construct as a special project on behalf of the City of Abilene that will be solely paid from a special project facilities contract with the City of Abilene, and it is also necessary to change the Price and Terms by which the City will pay for its water since the District has been in operation for many years and the cost of its water is well established; and

WHEREAS, the District and the City have also determined that the Contract shall be amended to clearly reflect that the City of Abilene will be developing additional water supplies in the future; and

WHEREAS, the District and the City have further determined that the Contract shall be amended to reflect the price of water after the Bonds are retired, and to provide for the term of this Contract; and

WHEREAS, the governing bodies of both the District and the City have agreed to the following changes and modifications.

NOW, THEREFORE, in consideration of mutual covenants and agreements herein contained, the City and District have agreed to the Amendment No. 1 of the Contract to be dated as of August 22, 1985, to-wit:
Section 1. That the definition of "Date of Initial Availability" in Section 1 of the Contract is hereby removed in its entirety since that definition has no applicability in the Contract as amended and the following definitions for "Additional Bonds" and "Annual Debt Service Requirements" are hereby added:

"Additional Bonds" shall mean those bonds payable in whole or in part from the revenues of this Contract which are permitted by the Bond Resolution after obtaining approval by the City to issue such bonds.

"Annual Debt Service Requirements" shall mean those requirements as stipulated in the Bond Resolution adopted by the governing body of the District authorizing the issuance of the District's Bonds and Additional Bonds, if any, for the payment of principal and interest on such Bonds and Additional Bonds, if any, including reserve and contingency requirements.

Section 2. That Section 2 of the Contract is hereby changed and modified to read as follows:

2. QUANTITY. Subject to the ability of the District to furnish the amount of water specified herein, District agrees to sell and to deliver to the City at the delivery point hereinafter specified, and City agrees to purchase water for its own use and for distribution to all of the customers served by the City's distribution system as follows:

(a) Until completion of construction of additional water delivery facilities by the District for delivery of water from Hubbard Creek Reservoir to the City, the City shall be entitled to receive 15.50 million gallons of water from Hubbard Creek Reservoir in any given day.

(b) After completion of the parallel water transmission line, the City shall be entitled to receive an average of 15.50 million gallons per day from Hubbard Creek Reservoir. The City's average rate of use from Hubbard Creek Reservoir shall be determined by dividing the total number of gallons received since the reservoir was last full by the total number of days since the reservoir was last full. Hubbard Creek Reservoir shall be considered to be full whenever the water surface is at or above the top of the conservation storage elevation 1183.0. In determining the City's average rate of use from Hubbard Creek Reservoir, water received before or during the last day that the reservoir was full shall not be counted.

(c) After completion of the parallel water transmission line, whenever the City's average rate of use from Hubbard Creek Reservoir has been less than 15.50 million gallons per day since the reservoir was last full, the City shall be entitled to receive more than 15.50 million gallons from Hubbard Creek Reservoir in any given day, but not more than 31.0 million gallons.

(d) If at any time the water level in Hubbard Creek Reservoir shall drop to or below elevation 1155.0, the District Board of Directors shall declare that emergency drought conditions exist and impose a program of restrictions on further withdrawals of water from the reservoir. Such restrictions shall be in the form of a set percentage reduction in the maximum daily volumes of water that the City and all other water users would otherwise be entitled to receive from Hubbard Creek Reservoir; provided, however, that so long as the Reservoir is at or below elevation 1155.0, the volume of water which the City may withdraw shall not exceed 15.50 million gallons per day. Restrictions shall not be imposed on the City unless the same degree of restriction is simultaneously imposed.
uniformly on all users that are entitled to receive water from the reservoir. Restrictions shall not be imposed on the City when the reservoir water level is above elevation 1155.0.

The District will use its best efforts to remain in position to furnish water sufficient for the reasonable demands of City, but its obligation shall be limited to the amount above specified in (a), (b), (c), and (d), and to the amounts of water available in its water reservoir.

Section 3. That Section 6(a) and (b) of the Contract is hereby changed and modified to read as follows:

(a) The City shall pay to the District each month from the 15th day of each month hereafter, its proportionate share of the costs of the operation of the District based on the provisions contained in (a) and (b) of this Section. It is understood that the Bonds will be secured by this Contract, together with taxes levied by the District. The District has entered into contracts and amended same with other Member Cities of the District with identical provisions for the payment of expenses and debt service charges.

The monthly charges to be paid by the City will consist of the following:

(i) The City shall pay as a Standby Charge 88.11% of one-twelth of the "General Administrative" Budget of the District, as approved by the Board of Directors; and

(ii) The City shall pay as an Operation Charge 72.98% of one-twelfth of the "Lake Maintenance and Water Quality Management" and "Pipeline Department" Budgets of the District, as approved by the Board of Directors exclusive of "Electric Service", less 72.98% of other revenues of the District including revenues to be received from the sale of water from Hubbard Creek Reservoir to purchasers other than the Contracting Cities. If such revenues exceed the Operation Charge, such surplus shall be credited to the City's Standby Charge; and

(iii) Demand Charges in the amount of 72.98% of the District's electric service charges exclusive of "Pumping Charges" as described herein; and

(iv) Pumping Charge being that portion of the electric service charge received by the District which is directly attributable to the actual cost of pumping water to the City for that month from Hubbard Creek Reservoir with such Pumping Charge including kilowatt hour charges and fuel adjustment charges.

(b) In addition to the above charges, each monthly statement for the District shall contain a Debt Service Charge calculated as follows:

(i) The City shall pay as a Debt Service Charge 72.98% of one-twelfth of the Annual Debt Service Requirements. The Annual Debt Service Requirement will be reduced by the budgeted amount of taxes expected to be collected annually by the District for payment of such Annual Debt Service Requirement together with other available funds of the District.

Section 4. That Section 7(a) of the Contract is hereby changed and modified to read as follows:

(a) Whenever the Bonds or Additional Bonds, if any, have been paid, it is contemplated that the charges to be paid by
the City for the purchase of water shall be the charges described in Section 6(a) and (b) hereof, as amended, without a "Debt Service Charge" as long as this Contract is in full force and effect in accordance with Section 10 of the Contract, as amended, in reference to "Term of Contract".

Section 5. That Section 8(f), (g) and (h) are hereby changed and modified to read as follows:

(f) The City agrees to fix and collect such rates and charges for water and services to be supplied by its waterworks system as will produce net revenues in an amount equal to at least the minimum annual payments due under this Contract and any other water purchase contracts.

(g) The City shall not obtain water from any source other than its own presently existing source of supply and the District except to the extent that the District is unable to supply sufficient water to the City, in which event the City shall first furnish to the District a written opinion of a recognized independent engineer showing the extent to which the City needs additional water which the District is unable to supply. It is understood by the parties to the Contract and the Amendment that the City of Abilene has furnished the District an opinion of a recognized independent engineer satisfying the requirements of this paragraph and that the City of Abilene is seeking an additional water supply and may participate in the Stacy Reservoir Project.

(h) Any contract made by the District to supply water from Hubbard Creek Reservoir to others than the four member cities within the District shall be subordinate to the obligations of the District to the four member cities within the District.

Section 6. That Section 10 "Term of Contract" of the Contract is hereby changed and modified to read as follows:

This Contract shall continue in full force and effect until the Bonds and Additional Bonds, if any, are paid. Thereafter, this Contract shall continue in full force and effect for ten years from the anniversary date of the final payment of the Bonds or Additional Bonds, if any. Subject to the ability of the District to deliver contract volumes of water, this Contract upon expiration of the initial ten-year period will be renewed automatically for three more consecutive ten-year periods unless during the sixty-day period following the anniversary date of any ten-year extension the City advises the District it is not renewing the Contract.

Section 7. That Section 13 "Provisions Severable" of the Contract is hereby changed and modified to read as follows:

If any obligation or covenant of either party hereto shall ever be held to be invalid, the remaining provisions of the Contract and amendment shall continue to be binding and enforceable.

Section 8. The parties to the Contract recognize this amendment as being the only official amendment to the Contract since none of the other proposed amendments to the Contract had been approved by the Trustee Bank for the Outstanding Bonds and since there is no Trustee for the Bonds, the requirements for Trustee approval, pursuant to Section 11 of the Contract, is not necessary for this amendment to become effective, and the reference in the Contract to "Trustee" and "Trust Indenture" shall no longer be applicable after the issuance of the Bonds.

Section 9. That the City recognizes the right of the District to issue Special Project Bonds payable solely from a
Special Project Contract with the user of the facilities constructed with the proceeds of the Special Project Bonds.

Section 10. That all other provisions of the Contract are hereby reaffirmed by the City and the District and that the Contract is changed and modified only to the extent of the foregoing provisions.

IN WITNESS WHEREOF, the parties hereto acting under authority of the respective governing bodies have caused this Amendment No. 1 of the Water Contract to be duly executed in several counterparts, each of which shall constitute a duplicate original, all as of the 22 day of August, 1985.

WEST CENTRAL TEXAS
MUNICIPAL WATER DISTRICT

President
Board of Directors

ATTEST:

Secretary
Board of Directors

DISTRICT SEAL

CITY OF ABILENE

Mayor

ATTEST:

City Secretary

CITY SEAL