

RESOLUTION NO. 57-1992

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE WATER SUPPLY CONTRACT BETWEEN THE CITY OF ABILENE, TEXAS, AND THE CITY OF MERKEL, TEXAS.

WHEREAS, the City has heretofore entered into a Water Supply Contract in December 4, 1986, and,

WHEREAS, the City of Merkel, Texas, a Municipal Corporation, has requested an amendment to the Water Supply Contract attached hereto and made a part hereof for all purposes in order that it may reduce the annual contract amount of water from 155 MG to 125 MG.

WHEREAS, the City Council of the City of Abilene is of the opinion that the terms of the amendment are fair and should be entered into between the City of Abilene and the City of Merkel; now, therefore,

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

PART 1. That the attached Contract amendment for supplying water be, and the same is hereby approved.

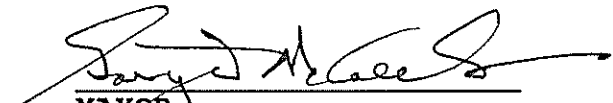
PART 2. That the Mayor be, and is hereby, authorized to sign said Contract on behalf of the City of Abilene.

PART 3. That this Resolution shall then take effect immediately from and after its passage.


ADOPTED this 17 day of December, A.D., 1992.

ATTEST:

  
CITY SECRETARY

  
MAYOR

APPROVED:

  
CITY ATTORNEY

**WATER SUPPLY CONTRACT AMENDMENT**

**THE STATE OF TEXAS}**

**COUNTY OF TAYLOR }**

*Contracts are not to be signed until after Corp. sign.*

**WHEREAS,** the City of Abilene and the City of Merkel entered into a Water Supply Contract which obligates the City of Merkel to supply a specified amount of water to the City of Abilene, and,

**WHEREAS,** the City of Merkel desires to reduce the annual Contract Amount of water from 155 million gallons (155,000,000) to 125 million gallons (125,000,000); and,

**WHEREAS,** the City of Abilene and the City of Merkel desire that the original Water Supply Contract be amended to provide for the reduction in the annual Contract Amount of water; now, therefore,

That Water Supply Contract made and entered into on December 4, 1986, by and between the City of Abilene, a Municipal Corporation, situated in Taylor and Jones Counties, Texas, acting by and through its Mayor, having been duly authorized to act by the City Council of the City of Abilene, and the City of Merkel, a Municipal Corporation, situated in Taylor County, Texas, is hereby amended as follows:

**WITNESSETH:**

For and in consideration of One Dollar (\$1.00) and the mutual benefits hereinafter stated, the City of Abilene and the City of Merkel agree as follows:

That **Section II, FURNISHING WATER, Paragraph B and C** of the above-described contract shall be amended to read as follows:

**B. Quantity and Demand**

Merkel represents that its estimated quantity of water will be 125 million gallons (125,000,000) per year which shall be known as the "Base Contract Amount." Merkel agrees that Abilene's capability to provide increases of water in quantity is subject to available supply and deliverability, as determined by Abilene's agent.

"**Demand**" means the quantity of water used by Merkel within a water year.

"**Water Year**" means the year beginning January 1 and ending December 31.

"**Base Contract Amount**" means any water year demand that equals or exceeds 125 million gallons (125,000,000).

The "**Maximum Daily Flow Rate**" of water that Abilene's system is capable of delivering to Merkel at "Delivery Point No. 1" is 1,200 gallons per minute; at a minimum pressure of 20 psi. Abilene is not required to deliver any more water to Merkel than the maximum daily flow rate.

**C. Rates**

Merkel agrees to purchase water at the rate of \$1.38/1,000 gallons, hereinafter referred to as the Contract Rate, which shall be the effective rate from the date of execution of this agreement until one (1) year thereafter; provided, that the price of the water to Merkel shall never be less than the amount charged any "Commercial Class" water user for the same quantity under Abilene's standard established rate-making schedules. Merkel agrees that the

Abilene City Council has the right to revise the rate schedule from time to time to cover all reasonable, actual and expected costs, including the costs of future water supplies. It is specifically understood and agreed that, in increasing or decreasing the standard established rate for " Commercial Class" customers of Abilene within its corporate limits, Abilene shall act in good faith, and any such increase or decrease in such standard rate shall be based upon valid economic reasons substantially relating to the costs of Abilene supplying such water. Abilene shall give sixty (60) days advance written notice of any rate change to Merkel and FmHA.

Merkel agrees to pay a total annual demand charge for each water year based on (1) the 125 million gallon (125,000,000) base contract amount less current water year demand, or (2) the highest water year demand established during the preceding five years, less current water year demand, whichever is greater.

**Rate Schedule:**

Contract Rate - \$1.38/1,000 gallons

Demand Charge - \$ .20/1,000 gallons

The "Demand Charge" represents the cost of reserving the water for Merkel.

IN WITNESS WHEREOF, the parties are here acting under the authority of their respective governing bodies have caused this agreement to be fully executed on the day and year as first above written.

**CITY OF ABILENE, TEXAS**

Business Address:  
c/o Director of Water Utilities  
P. O. Box 60  
Abilene, Texas 79604

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

**ATTEST:**

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

**APPROVED AS TO FORM:**

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

**CITY OF MERKEL, TEXAS**

Business Address:  
100 Kent Street  
Merkel, Texas 79536

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

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

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