

RESOLUTION NO. 58-1992

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 TYE, TEXAS.

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

WHEREAS, the City of Tye, 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 60 MG to 45 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 Tye; 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.

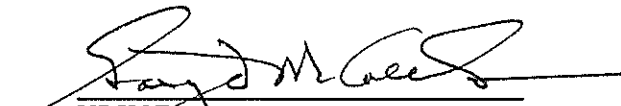
PART 2. That the Mayor be, and is hereby, authorized to sign said Contract on behalf of the City of Abilene.

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 }**

*Att. Contract  
will be signed  
after other entities  
sign*

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

**WHEREAS,** the City of Tye desires to reduce the annual Contract Amount of water from 60 million gallons (60,000,000) to 45 million gallons (45,000,000); and,

**WHEREAS,** the City of Abilene and the City of Tye 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 Tye, 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 Tye agree as follows:

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

**B. Quantity and Demand**

Tye represents that its estimated quantity of water will be 45 million gallons (45,000,000) per year which shall be known as the "Base Contract Amount." Tye 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 Tye 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 45 million gallons (45,000,000).

The "**Maximum Daily Flow Rate**" of water that Abilene's system is capable of delivering to Tye at "Delivery Point No. 1" is 800 gallons per minute; at a minimum pressure of 20 psi. Abilene is not required to deliver any more water to Tye than the maximum daily flow rate.

**C. Rates**

Tye 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 Tye 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. Tye 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 Tye and FmHA.

Tye agrees to pay a total annual demand charge for each water year based on (1) the 45 million gallon (45,000,000) 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 Tye.

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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**

**CITY OF TYE, TEXAS**

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

Business Address:  
P. O. Box 145  
Tye, Texas 79563

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

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

**ATTEST:**

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

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

**APPROVED AS TO FORM:**

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

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

# CITY OF MERKEL

100 KENT ST. \*  
MERKEL, TEXAS 79536

March 9, 1992

Mr. Dwayne Hargesheimer  
Director of Water Utilities  
PO Box 60  
Abilene, Tx 79604

Dear Mr. Hargesheimer:

In reviewing our water usage for the period of 1987-1991, we find that our annual water usage has continued to decline. Our annual contract amount with Abilene at the present time is 155 million gallons per year.

If it is possible and acceptable to Abilene, The City of Merkel would like to amend the annual contract amount from 155 to 125 million gallons per year.

If you should have any questions concerning this request please let me know.

Yours truly,

CITY OF MERKEL

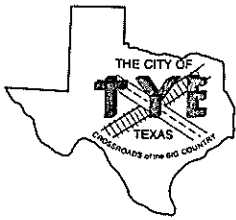


Kent Satterwhite  
City Admisistrator

KS/lm



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**City of Tye**  
P.O. Box 145 (915) 692-8588  
Tye, Texas 79563

December 4, 1992

Dwaine Hargesheimer  
Director of Water Utilities  
City of Abilene  
P.O. Box 60  
Abilene, Texas 79604

Dear Sir:

Reference Abilene-Tye Water Supply Contract, dated December 4, 1986.

The City of Tye is asking that you consider lowering its estimated quantity of water from sixty (60) million gallons per year to forty-five (45) million gallons per year, which shall be the "Contract Amount".

In Fiscal Year 91-92, Tye purchased 41,163,000 gallons, which was a 'wet' year. In Fiscal Year 90-91, gallons purchased was 49,451,000, in a year that Tye had 2 commercial customers purchase a one-time high demand for water. These two fiscal years average out to 45,308,000 per year. It is believed that forty-five (45) million gallons per year is a realistic expected useage and would appreciate your consideration in this change in the contract amount.

Sincerely,

Gayland Childers,  
Mayor

Violet E. Law,  
City Secretary

Paul Moore,  
Public Works Director

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