

**CITY OF KOSSE
SPECIAL CITY COUNCIL MEETING
TUESDAY, JANUARY 17, 2017- 3:00 P.M.**

Council Members Present:

Jacob Jones Harley Leazer L.B Perry
Ronnie Funderburk

Mayor Jarrod Eno opened the meeting. A quorum was present with three council members present. Proper posting of the meeting was confirmed.

Discussion and take action on amendment of Water and Sewer Ordinance to increase water rates due to increase in the cost of water from the Tri-County Special Utility District. A motion was made by Ronnie Funderburk and seconded by Jacob Jones to amendment. Motion carried unanimously.

ORDINANCE OF THE CITY OF KOSSE, TEXAS AMENDING RESIDENTIAL, RESIDENTIAL-OUTSIDE THE CITY, COMMERCIAL, AND MASTER METER WATER USAGE RATES TO COVER THE INCREASED COST OF WATER FROM THE CITY'S WATER SUPPLIER; AND SETTING AN EFFECTIVE DATE

Discussion and take action on Second Addendum to Water Sale and Purchase Contract with the Tri-County Special Utility District. A motion was made by Ronnie Funderburk and seconded by Jacob Jones to second addendum with Tri-County. Motion carried unanimously.

SECOND ADDENDUM TO WATER SALE AND PURCHASE CONTRACT

WHEREAS, the City of Kosse, Texas (hereinafter "City") and the Tri-County Special Utility District (hereinafter "Tri-County") entered into that certain water sale and purchase contract dated September 8, 1977, whereby Tri-County agreed to sell treated water to the City and the City agreed to purchase treated water from Tri-County; and

WHEREAS, in September of 2012 the parties entered into that Addendum to Water Sale and Purchase Contract that replaced the previous contract (hereinafter "First Addendum"); and

WHEREAS, the City is working towards the creation of its own water production system, which will include two wells and other improvements; but the project will not be completed within the term of the First Addendum, which expires September 30, 2017; and

WHEREAS, Tri-County has experienced an increase in the cost of water service due to mandates of the government requiring the installation and maintenance of expensive arsenic removal equipment and technology, and must pass those increased costs along to both retail and wholesale customers; and

WHEREAS, the parties have found it advisable and in their respective interests to enter into a Second Addendum to Water Sale and Purchase Contract (hereinafter “Second Addendum”) which does not replace or modify the terms of the First Addendum except as expressly set forth herein.

NOW THEREFORE, the parties agree as follows:

1. Section 1 of the First Addendum entitled “Term” is amended to read as follows:

“This contract shall expire without necessity of other action at midnight on September 30, 2019. The City may terminate this Contract on 120 days written notice and thereby release Tri-County from any obligation to serve the City with water. Said cancellation will terminate both parties’ obligations hereunder, except the City’s obligation to pay Tri-County any amounts owed for services provided before termination.”

2. Section 2 (b) of the First Addendum entitled “Volume Rate” is amended to be \$6.50 per thousand gallons. However, this change shall not become effective until the March 20, 2017 meter read of the City’s meter by Tri-County.

3. All other provisions of the First Addendum shall remain in full force and effect, except to any extent modified by the foregoing amendments.

A motion was made by Ronnie Funderburk and seconded by Harley Leazer to adjourn. Motion carried unanimously.

Mayor Date

ATTEST:

City Secretary Date