

Some Dist #1
Dist #3

WATER SERVICE CONTRACT

THE STATE OF TEXAS §

COUNTY OF BELL §

This agreement between Bell County Water Control and Improvement District No. 1, hereinafter called the "District", and the City of Killeen, Texas, hereinafter called the "City", DIST. # 3

W I T N E S S E T H:

The District has leased from the United States of America the water production, treatment and transportation system constructed by the Government which includes an intake and water treatment plant situated on the south side of Belton Reservoir in Bell County, Texas and a pipeline running to, and through, the City of Killeen to a point on the Fort Hood Military Reservation, and appurtenances thereto. The District proposes to utilize such system to serve water to Fort Hood, the City of Killeen and the City of Copperas Cove, and other communities in the vicinity of the pipeline. The District has also entered into a water service contract with the United States of America to supply water to Fort Hood through the leased facilities.

The City owns and operates a municipal waterworks distribution system supplying its inhabitants and other customers in the vicinity of the City and desires to purchase from the District its full requirements of water for such purposes, including water used by the City for its own municipal needs.

It is mutually agreed by the District and the City as follows:

1. Government Contracts: The parties hereto are familiar with the above mentioned lease agreement bearing date of February 24, 1956, and the water service contract bearing date of September 26, 1955, executed by the Government and the District, to which reference is made for full particulars, and the District's obligations hereunder shall be subject to all of the terms and provisions of said lease agreement and water service contract.

2. Water Purchases: During the primary term of this agreement, and any renewal period, the City agrees to purchase from the District and the District agrees to sell to the City, subject to the conditions and limitations hereafter provided, the City's full requirements for water distributed through its municipal waterworks system.

3. Point of Delivery: The point of delivery of water to the City shall be at the 16 inch meter now situated at Water Pump Station No. 2; and 8 inch meter now situated at Water Pump Station No. 1

and at such other point or points as may be mutually agreed upon by the parties hereto. All connections with the District's water lines shall be made only with the District's consent and under its supervision.

4. Rates and Charges: The initial rates and charges which the City shall pay to the District for all water delivered to the City under this contract shall be eighteen (18¢) for one thousand (1,000) gallons. At the request of either party hereto made in writing to the other party at least fourteen (14) days prior to January 1, 1957 or January 1 of any year thereafter during the term of this contract, such rates and charges for the then ensuing year shall be recomputed by the District on the basis of the principles and elements contained in the "Water Rate Determination for Bell County Water Control and Improvement District No. 1" prepared by Freese, Nichols & Turner, Consulting Engineers, Houston, Texas, which is attached hereto marked "Exhibit A" and made a part hereof as though fully written herein. Such recomputed charges shall be effective until they are again recomputed as above provided.

5. Metering and Billing: Water will be measured by a displacement type _____ inch meter(s) meeting A.W.W.A. standards to be furnished, installed, and maintained by the City. The meter(s) will be read by the District's representative monthly and the District will render monthly statements to the City and each bill for water service shall be due and payable within ten (10) days after the delivery of said bill. Should the City fail to pay any bill within ten (10) days after it has been delivered to it by the District, District may give the City written notice of such default and if such default is not corrected within an additional ten (10) days thereafter, the District shall have the right to discontinue water service to the City until such default is corrected and all past due accounts have been paid in full. The sums due the District by the City hereunder shall be payable only out of revenues received by the City from the sale of water and shall be a current operating expense and first charge against the gross revenues of the City's Water Department. The District shall never have the right to demand payment of water service bills out of any funds raised or to be raised by taxation.

6. Quality and Quantity of Water: The District shall exercise due diligence in operating its water system facilities and in treating water pumped from Belton Reservoir but the District does not otherwise guarantee the quality of water delivered to the City. Subject to the District's equal obligations to other customers and its prior obligations to Fort Hood Military Reservation, the District agrees to supply the City's full requirement within the limits of the available supply and the available capacity to treat and transport such water. In the event of shortage either in water supply or plant or pipeline capacity, the District agrees to prorate the available water among its customers on a reasonable and fair basis and without discrimination and subject only to the prior rights of the United States of America for delivery to Fort Hood as set forth in the above mentioned lease agreement and water service contract.

7. Testing Meters: The District shall have free access to the meter(s) measuring water supplied to the City and may require that such meter(s) shall be tested and calibrated at any time and if such test shows such meter to be in error by as much as three percent (3%) all bills for water issued during the last half of the period elapsing since the last prior testing of the meter shall be adjusted in direct proportion to such error. If each such test reveals an error of less than three percent (3%), the cost of such test shall be borne by the District, otherwise by the City.

8. Force Majeure: It is expressly agreed that the District shall not be liable to the City for damages under this agreement if such damages are caused by an act of God, fire, breakdown, strike, power failure, inability to obtain any materials or supplies, rule or regulation of any government or government officer or representative, order of any court or for any other cause beyond the control of the District.

9. Term: This contract shall become effective on the date on which the District takes possession of the leased properties from the Government and commences the delivery of water to the City and shall continue until the end of the City's then current fiscal year (the City's fiscal year ends June 30th of each year). The City shall have the right to review and extend this contract from year to year for a period of fifty (50) years from the date hereof and this agreement shall automatically be renewed each year unless and until the City gives notice to the District of its intention to terminate the contract, which notice shall be in writing and delivered to the District at least six (6) months prior to the time fixed for termination.

EXECUTED at Killeen, Texas this 27th day of April,
19 56.

BELL COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 1

By *Ray Smith*
President

ATTEST:

Bert Norman
Secretary

CITY OF KILLEEN, TEXAS

By *Gene Gilwood*
Mayor

ATTEST:

Ernest L. Brown
City Secretary