



# Brazos River Authority



QUALITY • CONSERVATION • SERVICE

July 15, 2005

Mr. Frank L. Salvato  
City Manager  
City of Taylor  
400 Porter Street  
Taylor, Texas 76574

Dear Mr. ~~Salvato~~:

*Frank*

The Brazos River Authority (Authority) is excited to have completed our first year providing treated water to the citizens of Taylor. We are moving in an aggressive fashion to complete the expansion of the East Williamson County Regional Water System. The Authority is well into the final design of the facility and anticipates beginning construction during the winter of 2006. The citizens of Williamson County will benefit from this future regional facility made possible by the foresight and unselfishness of the citizens of Taylor.

Per the existing contract between the Authority and the City of Taylor (City), the Authority is to furnish the City, prior to August 1 of each year, with a preliminary estimate of their minimum annual payment for next year, as well as an indication of what their excess treated water was for the prior year.

Per the contract, each Contracting Party's Floor shall be re-determined annually and will be equal to the prior or previously established Floor, or an amount equal to the average amount of water delivered to said Contracting Party for the last five water years, which ever is greater. The calculated Floor for the City for the upcoming water year will be 2.21 million gallons per day (MGD). The Floor was calculated using the following information.

Historic usage information received from the City:

2001	2.15
2002	2.19
2003	2.31
2004	2.17
2005	2.23 (First Full Authority Year)

Average	2.21 MGD
Initial Floor	2.16 MGD

The new monthly payment will be \$80,665 and was calculated as follows:

	2.21 MGD
X	<u>365 days/year</u>
	806.65 MGD per year
	806,650 gallons
X	<u>\$1.20 base flow rate</u>
	\$967,980 annual base flow charge
	\$80,665 monthly base flow charge

The current monthly payment is \$78,840. The Authority will begin billing the City this new amount with the July 15, 2005, billing, which is the payment for the month of August. On the July 15 bill, you will also see a one-time catch-up billing amount of \$3,650. This is the difference between the current monthly payment amount and the new monthly payment amount for the months of June and July, which have already been billed. This catch-up billing will ensure that the City has 12 months of billings at the new Floor of 2.21 at the end of the 2006 water year on May 31, 2006.

The City's excess treated water for the water year ended May 31, 2005, and was calculated as follows:

Month	MG Treated
June 2004	59.564
July 2004	78.673
August 2004	87.906
September 2004	79.663
October 2004	71.109
November 2004	63.681
December 2004	66.808
January 2004	62.985
February 2004	58.847
March 2004	57.135
April 2004	62.722
May 2004	70.474
<b>Total</b>	<b>819.567</b>
<b>Less Base Flows (2.16 MGD X 365 Days)</b>	<b>(788.40)</b>
<b>Excess Flows – MG</b>	<b>31.167</b>
<b>Excess Flows – 1,000 Gallons</b>	<b>31,167</b>
<b>Excess Flow Rate</b>	<b>\$1.44/1,000 Gallons</b>
<b>Excess Flow Charge</b>	<b>\$44,880.48</b>

This amount (\$44,880.48) will be billed to the City with the August 15, 2005, bill.

If you have any questions, please feel free to contact me at (254) 761-3165.

Sincerely,



DAVID COLLINSWORTH  
Regional Business Development Manager, Central Basin

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