



# CITY OF ROCKWALL

## "THE NEW HORIZON"

May 2, 1988

Mr. J. E. Harris Mt. Zion Water Supply Corporation 107 South San Jacinto Rockwall, Texas 75087

Dear J. E.:

As you requested, the letter from the City Attorney indicating that City will initiate condemnation procedures if we do not reach sales terms is enclosed. If the wording is not satisfactory please let me know.

Sincerely,

Bill Eisen City Manager

Attachment BE/mmp



# CITY OF ROCKWALL

### "THE NEW HORIZON"

January 26, 1988

Mr. J. E. Harris, Jr. 107 S. San Jacinto Rockwall, TX 75087

Dear Mr. Harris:

We have reviewed your calculated value of the portion of the Mt. Zion Water Supply Corporation facilities that are located in the City of Rockwall. After reviewing these calculations, we propose that two changes be made in the method of determining value.

- 1. We propose that the basic method be revised to provide for original cost less depreciation of 2.5 percent per year (Straight-Line Depreciation based upon 40 year life). The original cost for Heritage Heights is based upon the actual bill submitted by the contractor to the developer. The same cost per foot was assumed for the other 4-inch and 1 1/2-inch lines. The other line costs were estimated based upon the known cost of the lines in Heritage Heights. It was also assumed that the lines outside Heritage Heights were installed at approximately the same time as those in Heritage Heights. Utilizing these procedures, we calculated the value of the lines to be \$30,439.
- 2. Meter Taps and meter setting costs are also proposed to be adjusted for time. We have reduced estimated values by 17 percent based upon the City's relative costs of meter sets today and six years ago. We have assumed that the meters were set an average of 6 years ago. Also, in reviewing the number of road crossings shown in the map you furnished we were able to locate only seven. Therefore, we adjusted the number of crossings accordingly. This results in a total of \$4,302 in Other Costs.

It is the City's desire to work with Mt. Zion to reach a mutually agreeably value for the water system improvements in question. If we have made incorrect assumptions regarding age of lines or the number of crossings, we will, of course, be pleased to make any necessary adjustments.

If you need additional information, please let me know.

Sincerely,

Bill Eisen City Manager

POTE OF THE ENGLISHED

This Agreement entered into on the Aday of July 1988, by and between the Mount Zion Water Supply Corporation, a non-profit corporation organized pursuant to article 1434a, Vernon's Annotated Texas Statutes (V.A.T.S), hereinafter Called "Mount Zion" and the City of Rockwall, Texas, a municipal corporation organized pursuant to article 11 Section 5 of the Constitution of the State of Texas, hereinafter called "City":

## WITNESSETH: property

WHEREAS, a portion of the Mount Zion Water Supply Corporation is located within the city limits of the City of Rockwall, Rockwall County, Texas; and

WHEREAS, the City of Rockwall, Texas owns and operates its water distribution system within the City limits; and ity to

whereas, the City of Rockwall has contacted Mount Zion about selling a portion of the Corporation's system located within the city limits of the City of Rockwall in accordance with House Bill 2035 duly passed by the 70th Session of the Texas Legislature which allows for application by the City for single certification of said area in absence of an agreement; and

WHEREAS, both parties hereto deem the public interest to be best served by agreement on the sale of that portion of the

02436

Corporation's system located within the city limits of the City of Rockwall as more hereinafter described.

NOW, THEREFORE, the parties hereby agree as follows:

- 1. That the above recitals are hereby agreed to by the parties as being true and correct and incorporated herein.
- the area this That Mount Zion hereby agrees to sell to the City all water rights of Mount Zion in connection with that portion of the system as more particularly described by the attached hereto Exhibit "A". Such water rights shall include but not necessarily be limited to the business of supplying water to user's, if any, within the area described in Exhibit "A", all pipes, valves, pumps, machinery, equipment and other property LOCKWALL used in that business; all franchises, easements, rights-ofexes Bates Chemiselan way, rights and privileges of Mount Zion in connection with is agree that this that business; and all contract rights, claims and options of aboli 50 autitied Mount Zion in connection with the business.
- 3. That the purchase price to be paid by the City to Mount Zion for the water rights and appurtenances thereto listed above for the area described in Exhibit "A" shall be \$\frac{47,238.25}{.}\$
- 4. That Mount Zion shall deliver a bill of sale to the City consummating this sale as approved by Mount Zion's Board of Directors.
- 5. The parties hereto recognize that a substantial portion of Mount Zion's water system has been financed through the Farmer's Home Administration and that Mount Zion agrees to seek approval of this sale from F.M.H.A.

- 6. The parties hereto agree that upon consummation of the sale, the area as described shall become a part of Rockwall's municipal water system and that Mount Zion shall have no further right or obligation to serve or to provide water service to customers within the above-described area and that if Mt. Zion has been certified for the area, this agreement shall be filed with the Texas Water Commission along with application to de-certify Mt. Zion from the said area.
- 7. This agreement contains the entire understanding between the parties and such agreement may not be amended, changed or altered without written consent of both parties.
- 8. Venue for this agreement shall be in Rockwall County, Texas.

If for any reason, FMHA or the Texas Water Commission fails to approve this agreement, the parties agree that this agreement shall be null and void and the City shall be entitled to a return of the amount expended herein.

EXECUTED ON the date first above written.

May Michaels

	MOUNT ZION WATER SUPPLY CORPORATION
	By: Alexan (mmy)
Elland,	
Monoger MT. Zu	ely
	CITY OF ROCKWALL, TEXAS
	By: Julie Couch
ATTEST:	

#### EXHIBIT "A"

The geographic area to be included in this contract of sale is shown on the attached map and is further described as:

The area bounded on the south by Dalton Road,

Bounded on the east by SH-205

The north by the City Limit line in effect on the date of this contract, and

On the west by Lake Ray Hubbard.

PAPRIOR '88 10:13 HUTCHISON PRICE BOYLE BROOKS TX

STATE OF TEXAS
COUNTY OF ROCKWALL

#### BILL OF SALE

The Mount Zion Water Supply Corporation by and through its duly undersigned representative, in consideration of 47,238,25 and other valuable consideration and authority granted to them by the Board of Directors of said corporation, do hereby SELL, CONVEY AND ASSIGN unto the City of Rockwall, Texas, a municipal corporation, all water rights and appurtenances thereto located within the area as more fully described by the hereto attached Exhibit "A", such area located within the city limits of the City of Rockwall, Texas.

This conveyance is made according to the provisions of an agreement executed by the Mount Zion Water Supply Corporation and the City of Rockwall, Texas on the 9 day of May, 1988.

DATED: 5-9- , 1988.

MOUNT ZION WATER SUPPLY CORPORATION

(Authorized Representative)

03430

STATE OF TEXAS

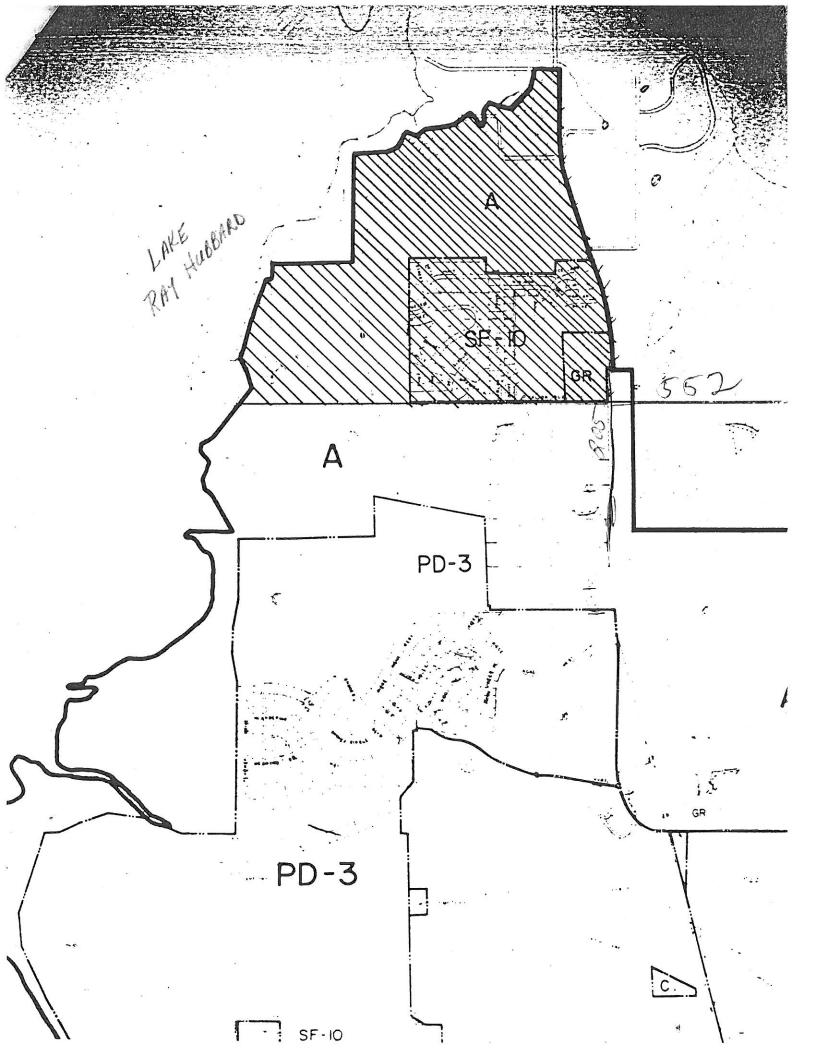
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COUNTY OF ROCKWALL

IN WITNESS WHEREOF, I have hereunto set my hand and affirm my official seal the day and year first above written.

Notary Public in and

for Rockwall County, Texas



# ESTIMATED VALUE PORTION OF MT. ZION WATER SUPPLY SYSTEM

#### WATER MAINS

Heritage Heights	\$16,467.00	
4" line outside Heritage Heights (1910 ft. @ 2.70)	F 1F7 00	
Original 8" AC @ \$8.00 ft. (1,484 ft.)	11,872.00	15,587.00
2 1/2" PVC along Dalton Rd. & SH 205	127072.00	, - /
(3,204 ft. @ \$2.00)	6,408.00	
2" PVC ( 1,668 ft. @ \$2.00)	3,336.00	
l" PVC (195 ft. @ \$1.25)	244.00	
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	\$43,484.00	
1005 ft 1/2 PUC Kind @ 1.50	5007 500-00000 🕊 20000 000000000 😡 2000000000	
	1507.50	
ASSUME:	48,701.50	
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Estimated System Life - 40 years Estimated Salvage Value - 0 All lines are 12 years old Straight-Line depreciation of 2.5% per year

12 years x 2.5% = 30% \$43,484 X .30 = \$13,045 \$43,484 - \$13,045 = \$30,439

#### OTHER COSTS:

Install 7 Road Crossings @ \$200  Set 4 Meters on 4" Line Set 4 Meters on 2" Line Set 5 Meters on 11/2" Line Set 6 Meters on Existing Taps	\$ 1,400.00 1420 786.00 913 758.00 1126 937.00 421.00 507.
	\$ 4,302.00
TOTAL ESTIMATED SYSTEM VALUE	\$ 34,741.00

Mt Zion Water lines West of 205 North

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# CITY OF ROCKWALL

## "THE NEW HORIZON"

May 24, 1988

Mr. J. E. Harris, Jr. Mt. Zion Water Supply Corp. 107 South San Jacinto Rockwall, Texas 75037

Dear Mr. Harris:

We recently forwarded to you a proposed contract for purchase of the portion of the Mt. Zion Water Supply Corporation that is located in the City of Rockwall. We understood that the Mt. Zion Board of Directors has approved the contract, but that they would like for the City of Rockwall to agree to move the existing metering station from the west to the east side of SH-205.

The City Council was presented with the request in conjunction with the proposed sales price and other terms stated in the contract as approved. The Council has agreed to the relocation of the metering station at the City's expense. This relocation will be accomplished within sixty (60) days of receipt of documents from the Farmers Home administration approving of the sale.

Please let us know if you need further clarification.

Sincerely,

Sincerely,

Frank R. Miller

LLR Miller

Mayor

City Manager

BE/mmp