

ORDINANCE NO. 1116

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AUTHORIZING AN AMENDMENT TO THE PROJECT 7 CONTRACT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, as follows:

The Amendment to the Project 7 Contract attached as Exhibit A hereto are hereby approved, and the Mayor and City Clerk are hereby authorized to execute such Amendment.

PASSED on first reading this 2nd day of April, 1981.

Sue Merrett
Mayor

ATTEST:

Mary S. Watt
City Clerk

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on second reading on Thursday, the 16th day of April, 1981, at the hour of 7:30 p.m. at Montrose City Hall in Montrose, Colorado.

ADOPTED on second reading this 16th day of April, 1981.

Sue Merrett
Mayor

ATTEST:

Mary S. Watt
City Clerk

FIRST AMENDMENT
CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY
AS A SEPARATE GOVERNMENTAL ENTITY

FIRST AMENDMENT TO THE CONTRACT ESTABLISHING THE PROJECT 7 WATER AUTHORITY made and entered into this _____ day of _____, 1981, by and among the parties to said Contract which parties are THE CITY OF DELTA, Colorado, a Municipal Corporation of the State of Colorado, THE CITY OF MONTROSE, Colorado, a Municipal Corporation of the State of Colorado, TRI-COUNTY WATER CONSERVANCY DISTRICT, Montrose, Colorado, a Water Conservancy District of the State of Colorado, and THE TOWN OF OLATHE, Colorado, a Municipal Corporation of the State of Colorado; all of such parties hereinafter referred to collectively as the "Contracting Parties",

W I T N E S S E T H :

WHEREAS, the Contracting Parties entered into a Contract Establishing the Project 7 Water Authority as a Separate Governmental Entity on the 29th day of September, 1977, and

WHEREAS, the Contracting Parties desire to amend Sections 10, 23, 30 and 31 of said Contract.

NOW, THEREFORE, the Contracting Parties agree as follows:

1. Section 10, Sale of Treated Water to Others, is hereby amended to read as follows:

10. Sale of Treated Water to Others: The Authority shall provide wholesale treated water to the Menoken Water Company and the Chipeta Water Company at rates and charges uniform with the rates and charges charged to the contracting parties.

The Authority may sell wholesale treated water to others at rates and charges set by the Board of Directors

only with the approval of 4/5th of the entire membership of the Board of Directors. Any sale to such other customers shall set a defined maximum amount of water to be delivered by the Authority. The tap fees, rates or charges to such others shall be determined so as to include an equitable apportionment of prior capital investment by the Authority.

2. Section 23, Reserve and Capital Improvement Fund, is amended to read as follows:

23. Reserve and Capital Improvement Fund: The Board of Directors shall have the authority to establish and cause a reserve fund to be maintained, which fund shall consist of not more than seven per cent (7%) of gross revenues each year. The reserve fund shall be used only for debt repayment, emergency repairs, capital improvements and for the expansion of the treatment and delivery capacities and facilities.

3. Section 30, Minimum Purchase Obligation, is hereby amended to read as follows:

30. Minimum Purchase Obligation: The Contracting Parties shall be obligated to purchase the following minimum amounts of water each year at the rates set by the Authority in accordance with this agreement. Menoken Water Company and Chipeta Water Company shall be obligated to purchase the following minimum amounts of water each year at rates set by the Authority in accordance with this agreement and such obligation shall be provided for in a separate contract between the Authority and the Menoken Water Company and the Chipeta Water Company.

<u>WATER USER</u>	<u>MINIMUM</u> (Million Gallons)
Montrose	825.0
Delta	500.0
Tri-County	183.0
Olathe	45.0
Chipeta Water Company	50.0
Menoken Water Company	45.0

The minimum purchase obligations are subject to the following conditions:

(a) If the total amount of water delivered in a year exceeds the aggregate of the annual minimum purchase obligations, 1,648 million gallons, any Contracting Party or Company not using its minimum amount shall be excused from its minimum obligation for that year and shall be obligated only for the actual amount of water delivered to it.

(b) If the total amount of water delivered in a year is less than the aggregate of the annual minimum obligations, 1,648 million gallons, those Contracting Parties and Companies not using their minimum amount shall be obligated to pay their proportionate share of the difference between the total water delivered and the aggregate of the minimum purchase obligations. Such proportionate share shall be based on the minimum purchase obligations of those not using their minimum amounts.

(c) The amounts of the minimum purchase obligations may be adjusted annually by the Board of Directors to reasonably reflect the actual use of the Contracting Parties and Companies, provided, however, that any adjustment must be made with the unanimous approval of all of the members of the Board of Directors and with the approval of any Company whose minimum purchase obligation is adjusted, and further provided, that the aggregate of the total annual minimum purchase obligation shall not be less than 1,648 million gallons.

4. Section 31, Maximum Limit of Water Delivery, is hereby amended to read as follows:

31. Maximum Limit of Water Delivery: At any time that the total demand of the Contracting Parties, Chipeta Water Company and Menoken Water Company, for treated water exceeds the capacity of the plant, each shall be entitled to a pro-rata share of the volume purchased during the same month of the prior calendar year. Other users shall be li-

mitted by the limits provided in their supply contracts.

IN WITNESS WHEREOF, the Contracting Parties have
caused this Amendment to be executed this _____ day of
_____, 1981.

CITY OF DELTA

By _____
Mayor

ATTEST:

By _____
City Clerk

CITY OF MONTROSE

By _____

ATTEST:

By _____
City Clerk

TOWN OF OLATHE

By _____
Mayor

ATTEST:

By _____
Town Clerk

TRI-COUNTY WATER CONSERVANCY
DISTRICT

By _____
President

ATTEST:

By _____
Secretary

APPROVED:

CHIPETA WATER COMPANY

By _____
President

MENOKEN WATER COMPANY

By _____
President