



April 20, 2004

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

Dear Mr. Salvato:

The Brazos River Authority is in receipt of the letter from the City of Hutto dated March 15, 2004, requesting additional water from the City of Taylor. The Authority is pleased to hear of this formal request as it is consistent with our plans to create a Regional Water System for eastern Williamson County.

The Authority fully intends to honor treated water agreements between the Cities of Taylor and Hutto where the City of Taylor is providing treated water and where the agreements are consistent with the terms of the contract between the City of Taylor and the Authority. Upon the completion of the ongoing expansion of the Lake Granger Regional Water Treatment Facility (currently City of Taylor Water Plant), the Authority will be able to provide treated water in amounts consistent with the request for the City of Hutto. As we have discussed in our negotiations, the City of Hutto's surface water demand will be reflected in the Taylor's contracted floor (as contractually defined) in your agreement with the Authority.

Again, the Authority looks forward to meeting the water needs of both the City of Taylor and your customer, the City of Hutto. We look forward to a relationship that promotes economic growth and prosperity. If you have any questions, feel free to call me at (254) 761-3165.

Sincerely,

John Baker
Regional Manager, Central Basin

JB:jls

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cc: Casey Sledge (fax)

401 West Front Street
P.O. Box 639
Hutto, Texas 78634-0639



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Police Office: (512) 759-1011
Public Works: (512) 759-1011

March 15, 2004

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

Dear Frank,

Please accept this letter as a formal request for a commitment to provide additional water under the contract between the City of Taylor and the City of Hutto. We also request a letter of understanding or an amendment to the contract clarifying capital recovery fees in light of the sale of the Taylor water treatment facility to the Brazos River Authority.

We request the following increase in base delivery (This will be cumulative):

DELIVERY DATE	INCREASE	CUMULATIVE TOTAL
May 2005	1,000,000 Gallons @ Day	1,175,000 Gallons @ Day
May 2006	500,000 Gallons @ Day	1,675,000 Gallons @ Day
May 2007	500,000 Gallons @ Day	2,175,000 Gallons @ Day
May 2008	500,000 Gallons @ Day	2,675,000 Gallons @ Day
May 2009	500,000 Gallons @ Day	3,175,000 Gallons @ Day
May 2010	500,000 Gallons @ Day	3,675,000 Gallons @ Day
May 2015	500,000 Gallons @ Day	4,175,000 Gallons @ Day

If you need additional information please contact me.

Sincerely,

Mel Yantis
City Manager