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RESOLUTION NO. 13-91

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AGREEMENT WITH THE CITY OF BALCH SPRINGS, TEXAS AFFIRMING THAT NEITHER THE CITY OF MESQUITE NOR ITS CITIZENS ARE OBLIGATED TO DALLAS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER 6 FOR FUTURE OR PAST INDEBTEDNESS AND AUTHORIZING MAYOR CATHYE RAY TO EXECUTE THE AGREEMENT ATTACHED AS EXHIBIT "A".

WHEREAS, the City Council is concerned that the existing boundaries of the Dallas County Water Quality and Improvement District Number 6 (District) encroach into corporate limits of the City of Mesquite; and

WHEREAS, in 1960 the City of Mesquite paid \$45,000 for all the District's facilities within the corporate limits of Mesquite; and

WHEREAS, the City of Mesquite is aware of the City of Balch Springs' effort to assume the assets and responsibilities of the District; and

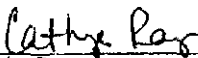
WHEREAS, a Memorandum of Agreement is necessary to prevent any future misunderstandings or misinterpretations about the City of Mesquite or its citizens' financial obligations in areas where the corporate limits of the City of Mesquite and the District overlapped; and

WHEREAS, it is the City of Mesquite's understanding that as soon as practical that portion of the District within the corporate limits of the City of Mesquite be disannexed.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That Mayor Cathye Ray is hereby authorized to execute an agreement with the City of Balch Springs, Texas to absolve the City of Mesquite and its citizens from any financial or other obligations of the Dallas County Water Control and Improvement District Number 6 unless agreed to by a written contract.


DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 20th day of May, 1991.


Cathye Ray
Mayor

ATTEST:


Lynn Prugel
City Secretary

APPROVED:


B.J. Smith
City Attorney

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Exhibit "A"
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The State of Texas
County of Dallas

Memorandum of Agreement

Come now the City of Balch Springs, Texas a Municipal Corporation, by and through its Mayor, the City of Mesquite, Texas, a Municipal Corporation by and through _____, and Dallas County Water Control and Improvement District Number 6, a Municipal utility district, by and through _____, and make and enter into the following agreement:

The parties agree that effective 12:01 a.m. on the _____ day of _____, 1991, Dallas County Water Control and Improvement District Number 6 be and the same is abolished pursuant to Section 43.076 Texas Local Government Code.

The parties further agree as follows:

1. That all assets of said Water District located within the City of Mesquite, Texas have been purchased by the City of Mesquite for the sum of \$45,000.00; that such sum has been paid by the City of Mesquite and that any and all assets of said District located within the boundaries of the City of Mesquite with the exception of such lines as the parties may agree in writing that may be located therein for the purpose of serving customers within said City at the request of said City pursuant to contract between the parties, shall, upon abolition, become the property of the City of Mesquite, Texas.

2. That upon abolition of said District, all assets of said District not within the boundaries of the City of Mesquite,

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together with any lines within the City of Mesquite which the parties may provide by contract for service to customers within said City of Mesquite, shall become the property of the City of Balch Springs, Texas, whether located within the boundaries of the City of Balch Springs or otherwise and shall include, but shall not be limited to tangible and intangible property, rights, privileges, licenses or thing of value; provided however, to the extent permitted by law and covenants in evidences of indebtedness, it is the intent of the parties that any right to assess and collect ad valorem taxes within the City of Mesquite by the District shall not be an asset owned by the City of Balch Springs but is set aside to the City of Mesquite.

3. That the consideration of \$45,000.00 paid to said District by the City of Mesquite constitutes a fair share of any potential obligations of District based upon the proportion of District assets within the boundaries of the City of Mesquite and the City of Mesquite's responsibility for any District obligations shall be zero.

4. That one-hundred per cent (100%) of all value of District assets are located within the City of Balch Springs or other than the City of Mesquite and that the City of Balch Springs shall and does assume one-hundred per cent (100%) of the obligation of said District.

5. That until such time as outstanding bonds, warrants and other obligations of the District are paid off or refunded the District shall be operated as provided by Section 43.076 (f) and that the City of Balch Springs, having assumed 100% of the

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obligations of the District shall appoint all trustees and the appointment need not be approved by the City of Mesquite.

6. It is agreed by the parties that all portions of the District located within the City of Mesquite is presently being adequately served by the City of Mesquite directly or through separate agreement with the District and no need for such District exists within said City. It is the intent of the parties, to the extent permitted by law and evidences of indebtedness that as soon as practical that portion of the District within the corporate limits of the City of Mesquite be disannexed and constitute no part of the District as existing or abolished.

7. Upon abolition of said District the City of Balch Springs, Texas, or trustees appointed pursuant to Section 43.076 (f) Texas Local Government Code, whichever may be applicable shall succeed to all rights, powers and duties and obligations of said District and upon presentation of certified copies of proper authorization by the governing body or trustees, as the case may be, representatives of said City of Balch Springs or trustees as the case shall be entitled to draw upon any accounts of the District or act in any manner in behalf of said District.

To signify this agreement the afore described officials of the respective entities, having been authorized by Ordinance or resolution to do so, a copy of same being attached hereto, hereunto set our hands as follows:

City of Balch Springs, Texas

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Date _____ by _____
Mayor

City of Mesquite, Texas

Date 5-29-91 by Cathy Ray
Mayor

Dallas County Water Control and
Improvement District Number 6

Date _____ by _____