

## ***IMPORTANT INFORMATION***

Dear fellow citizens:

As many of you are aware, our contract with the City of Tyler for the purchase of wholesale water expired back in September of 2005. The City of Tyler, at the time of expiration of the contract, immediately increased our wholesale water price from \$1.53 per thousand gallons to \$3.50 per thousand gallons. They then proposed a new contract for us to consider that would have left us no control or caps on future water rate increases, and initially wanted us to renew for a 40 year period. The contract proposed by Tyler was totally one sided, and attempts by the City of Whitehouse to negotiate a more favorable contact with them was to no avail.

That left us no choice but to pursue other water alternatives, one of which is our current development of additional water wells. The other was to look at water rights available at the time out of Lake Striker.

After much thought and consideration city staff, along with City Council, determined that the Lake Striker option would be the best solution in the long term. Negotiations with the Lake Striker Board of Directors began, resulting in the City of Whitehouse agreeing to a 10 year option to purchase up to 3.9 million gallons of raw water per day from Striker. The City of Troup has joined up with us, committing to 1 million gallons per day out of the 3.9 million gallons per day available. We are currently moving forward in finalizing details to initiate construction of a water transmission line and the construction of a water treatment plant. This, however, is a 2 – 3 year project.

Saying that, the City of Tyler had agreed to continue to sell us wholesale treated water until November 1, 2007, at which time they would discontinue selling us water. This was confirmed again in writing by Greg Morgan with the City of Tyler just a few days ago.

With our completion of water wells on Railroad Avenue we had reduced the need to purchase water from Tyler, except for the few dry days we had towards the end of this past summer. We had hoped to have our newest well, located on Lilly Rd, online prior to this cutoff date, but still lack a few weeks in doing so. We are also moving forward with another well location on the southwest side of our City.

As you can see, we are working expediently in moving forward for our own independence from Tyler for water. We still have a way to go. As Tyler has indicated that they refuse to sell us any more water in the absence of a long-term binding contract effective November 1<sup>st</sup>, 2007 we must ask that you curtail any unnecessary outdoor watering to help us during this period. We hope that by next summer, both new wells will be in service, enabling us to get by until our Lake Striker project is complete and online. Again, this is a voluntary request for decreased water consumption, but as a last resort some sort of mandatory water rationing may have to be implemented.

Thank you for your understanding and cooperation. If you have any questions you can call City Hall at 903-839-4914 or email your inquiries to [city@whitehousetx.org](mailto:city@whitehousetx.org).

Respectfully yours,

Ronny Fite  
City Manager