



## RURAL RESIDENTIAL OUT-OF-CITY WATER SERVICE AND ANNEXATION AGREEMENT

This Agreement is made between the City of Coalinga, a municipal corporation, hereinafter referred to as the "City", and \_\_\_\_\_, hereinafter referred to as "Water User".

### RECITALS

- A. The City owns and operates a municipal water system to provide domestic water to the inhabitants of the City.
- B. Water User owns property outside of the City limits which he/she desires to subdivide and/or develop and, in connection therewith, has requested the City to provide City water to the said property for facilitate its subdivision and/or development.
- C. City policy allows the extension of its water service to out-of-city property only after the water user either petitions for annexation or, if applicable , waives rights to oppose annexation to the City and executes a "Water Service and Annexation Agreement".

Now therefore, the parties hereto agree to as follows:

1. **Agreement:** City agrees to allow Water User to take surplus water from the City's water delivery system for a rate established by the City Council as the City Council may, from time to time, determine for the purposes set forth herein. It is agreed by the parties hereto that the rate for out-of-City (rural) users, such as Water User, shall be the rate paid by Rural residential users, as determined by the City Council from time to time. Said rate may be higher than for City residents. The City cannot be compelled to provide service beyond the areas to which is has dedicated service. Water User may take such water only so long as City has surplus water available. If, at any time, the City Council determines that there is insufficient water to meet the needs of the City residents as well as the out-of-city water users, such as including Water User, then the City may unilaterally terminate water service to Water User or may, in the sole discretion of the City Council, allocate what water the City has as surplus over and above the needs of the resident water users of the City, among the out-of-city water users, including Water User, as the City Council then sees fit.
2. **Use:** The parties hereto covenant and agree that such water service is intended to serve only, domestic and household water purposes. In the event that The City, at its sole discretion, determines that the water is being used for any other purpose than those set forth herein, it may, at any time, discontinue the providing of water service to Water User without liability to City. For this purpose, Water User grants the City the right of entry to inspect the use of the water on said property. Water User shall not use the water itself nor shall it allow anyone else to use the water for anything but domestic and household purposes.
3. **Cost:** Water User shall pay, both now and in the future, all costs, or charges to install water lines, meters, protective devices, storage, treatment facilities , or any other water accessories as shall be required by the City or regulatory agencies. In addition, Water User shall pay for the actual costs to the City, as determined by the City, of the installation of the service. The City is granted wide discretion to determine reasonable costs associated with rural residential out-of-city water service.

4. **Recordation and Assignment:** It is understood and agreed that this Agreement may be recorded at City's discretion. This agreement is not subject to assignment and any attempted assignment of this Agreement by Water User will be invalid and shall have no force or effect as against the City. In the event that there is an assignment or attempted assignment, the City may, without liability, disconnect such water service without notice.
5. **Annexation of the Property Waiver of Protest Rights:** Water User agrees that if any annexation of the subject property be proposed hereunder either by the City or any other applicant, Water User will join in and support such annexation and hereby forever waives all rights to protest or object to an annexation. Water User further covenants and agrees to join and participate without opposition in the formation of such service, improvement or assessment districts necessary to provide or facilitate adequate water flow for fire protection and/or for such other needs of the water system as determined by the City. Concurrently herewith, Water User has signed an irrevocable petition for annexation of the property to the City, which the City will file with the Fresno County Local Agency Formation Commission (hereafter referred to as "LAFCO") when the subject property qualifies for annexation. If, when the property qualifies for annexation, the petition has expired or becomes invalid for any reason, Water User, their heirs, and assigns, agree to execute another petition for annexation in a form and format provided by the City.
6. **Owner Permits:** Water User shall file with the City copies of any permits required by the County of Fresno and other permitting agencies regarding the use of the property.
7. **Rules and Regulations:** Water User agrees to follow all rules and/or regulations of any kind whatsoever adopted by the City Council, and from time to time modified by subsequent City Council action, which apply to City water users, unless out-of-city water users are specifically exempted from the application of such rule or regulation by terms thereof.
8. **Interruption of Service:** Water User agrees that, as a condition of water service, Water User understands and consents to any disruption of water service caused by action of the City. It is clearly understood between the parties hereto that the City has no obligation to supply water to the subject property, either by law or otherwise, except by the express terms of this agreement.
9. **Prohibition on Resale or Transportation:** Any water furnished to Water User under the terms of this Agreement shall not be transported off of the subject property nor shall Water User resell the water so furnished nor allow its use by any other person. For purposes of this Agreement the only property entitled to receive and benefit from water sold hereunder is described as:

This agreement shall expire and terminate if the subject property is subdivided.

10. **Prior Approval:** Prior to the commencement of any service under this water service agreement, the improvements installed for the taking of such water shall be inspected by the Director of Public Works or his designed representative of the City. Such service shall not begin until each of said Director, or his designee, shall have approved the equipment and its installation.
11. **Future Expansion by City:** Water User covenants and agrees that upon demand by the City, Water User will execute water line easements to City or City's nominee, at no cost

12. to the City or to City's nominee, for the purpose of the extension of water service by City past property owned by Water User.
13. **Violation of Agreement:** City may, at its sole discretion, terminate this Agreement upon violation of its terms or for a material violation by Water User of any of the City's rules or regulations relating to water users. The City and Water User agree not to serve water outside any water rights place of use, including but not limited to the United State Bureau of Reclamation Central Valley Project place of use.
14. **Disclaimer:** Water User agrees to defend, indemnify, and to hold the City harmless from any and all liability by reason of supplying water under this Agreement.

If legal action is undertaken by either part to this Agreement to remedy a breach hereof or to interpret is provision, the City shall be entitled to an award of its reasonable attorney's fees and costs. In the event, notwithstanding the terms of this agreement, it is determined that City is found liable by a court of competent jurisdiction, in the City shall have damages limited to the liquated damages representing the cost of water delivered.

This agreement and the covenants, benefits and obligations described herein, shall be binding on the parties, and their heirs, successors, and assigns.

#### **Notice**

If any property outside the City limits, with or without a water service agreement, is acquired by a new owner, in order to continue water service, the new owner shall, within ten (10) working days of acquiring the property, submit a written request for annexations of the area and property to the City and execute a water service contract and such other agreements as specified in this section. If no such request for annexation and application for water service are received within the time frame specified in this section, the property shall be disconnected from the City water service. Reconnection, if any, shall be at the sole discretion and under such terms as may be determined by the City.

**IN WITNESS OF**, the parties hereto have set their hand, the day and year written below.