

**WATER SUPPLY AGREEMENT  
CITY OF COALINGA AND HARRIS FEEDING COMPANY**

**2023 Agreement**

This Agreement is entered into effective April 1, 2023, by and between the City of Coalinga (“City”) and Harris Feeding Company (“Harris”), with respect to the following Recitals, which are a substantive part of this Agreement:

**RECITALS**

**WHEREAS**, City has a long history of providing excess water to Harris in support of operations of its Feed Lot located at 29475 Fresno-Coalinga Road; and

**WHEREAS**, from time to time, City may have the ability to sell excess USBR water to Harris; and

**WHEREAS**, Harris retains the flexibility to purchase water from Westland’s Water District and City; and

**WHEREAS**, USBR water is good quality allowing Harris to preserve ground water supplies at the Feed Lot; and

**WHEREAS**, sale of water to Harris is beneficial to water ratepayers in City; and

**WHEREAS**, City desires to provide excess USBR water to Harris and Harris may, from time to time, desire to acquire excess water from City, on the terms and conditions set forth in this Agreement, all for the mutual benefit of City and Harris, and in conformity with applicable State and Federal regulations.

**NOW THEREFORE**, City and Harris agree to the following:

1. Termination of 2018 Agreement. The previous Water Supply Agreement between City and Harris executed by the City on April 19, 2018, is terminated.
2. Term of Agreement. This Agreement shall be effective April 1, 2023, and shall be effective until terminated by the City on not less than 60 days written notice to Harris.
3. USBR Water Supply. This Agreement is for both contracted long-term USBR Water Supply (Contracted Water) available to City and Section 215 or other USBR water (Other USBR Water). Contracted or Other USBR Water may be made available to Harris to the extent it is made available to City by USBR, and after a full supply has been provided to City’s treated water customers, Water available to Harris may also be reduced by allocations to other wholesale customers. When the supply of Other USBR Water is terminated by the USBR, City’s Contract water may be available to Harris on an as-available basis as determined month-to-month by City. In the event USBR determines Other USBR Water supply has ended, with or without timely notice from USBR, and Harris continues to take water under this Agreement, Harris agrees to pay the higher Contract price shown below for excess water beyond the Other USBR Water supply, provided City is billed the higher price from USBR. City shall use its

best effort to notify Harris as soon as City is notified by USBR of Other USBR Water ending.

4. Price for Purchase Water. The price for standard contract water shall be based on the City's cost plus \$25 per acre-foot (AF). The following calculation shows March 2023 as an example. The actual price shall be updated as any of the cost components change, or any cost components are added to the City's cost.

2023 Water Price Components	
<u>Components</u>	<u>\$/AF</u>
USBR Contract Rate	\$77.45
USBR Trinity PUD Assessment	0.15
USBR "Environmental Restoration Fund"	24.05
San Luis Delta Mendota	50.28
Westlands Canal Maintenance Fee*	<u>40.00</u>
Subtotal	\$191.93
Margin	<u>\$25.00</u>
Total	\$216.93
* Estimated	

Section 215 water or other USBR water may be made available to Harris to the extent it is made available to City by USBR, after a full supply of Section 215 water has been provided to city treated water customers, and at the City's discretion. The price for Section 215 water shall be based on the City's cost plus \$25 per AF.

In the event of the market value of untreated wholesale water increases substantially, due to drought or any other reason, City may request an increase in the Margin component of the sales price. Harris, at its sole discretion, may elect to purchase water at a higher Margin, or decline purchases. Any such increase shall be done by amendment to this Agreement.

The price for all water sold from City to Harris under this Agreement shall be inclusive of all costs incurred by City up to the Delivery Point. To the extent any of the cost components composing the total cost of the water are adjusted downward or upward by USBR, San Luis Delta Mendota Water Authority, or Westland's Water District during the term of this Agreement, City shall adjust the price to Harris in the same amount. Under no circumstance shall City sell water to Harris at a price that causes a financial loss to City. If the City's cost for any water sold to Harris is adjusted downward after Harris has paid the City therefor, City shall promptly refund any overpayment to Harris.

5. Price for Water Conveyed Only. The price for water conveyed only shall be the sum of:
- A. San Luis Delta Mendota Water Authority Fee,
  - B. Westland's Canal Maintenance Fee,
  - C. \$25 per AF foot,
  - D. Any other fees incurred by City for conveyance only.

Harris shall effectuate water transfers through Westland's Water District such that Westland's is able to confirm transfers to City in Westland's confirmation report following each calendar month.

6. Monthly Sales Volumes. Volumes shall be mutually agreed by the City and Harris. Available volumes are contingent upon water being available to City from USBR, and City's allocation of excess water to Harris and other wholesale customers. Available volumes may be adjusted by City monthly. For water conveyed only, Harris shall notify City prior to each month of the estimated volumes to be conveyed.
7. Billing and Payment Terms. City shall issue billing statements to Harris following each month of water deliveries. Payment shall be rendered by Harris to City within fifteen (15) days of the date of the statement.
8. Billing Statements. Billing statements shall be sent to Harris at:  
  
Harris Feeding Company  
Route 1, Box 400  
Coalinga, CA 93210
9. Operating Communication. The City shall designate a representative for ongoing operating coordination with Harris, and similarly Harris shall designate a representative authorized to represent Harris for operating coordination.
10. Delivery Point. The Delivery Point for water sold or otherwise transferred hereunder shall be into the Harris Feeding Lot pump station located on the Coalinga lateral canal drawing water from the California aqueduct.
11. Resale. Water sold to Harris under this Agreement is explicitly for use at Harris Feed Lot and not for resale by Harris to any other person or entity.
12. Regulatory Compliance. The obligations of City and Harris to perform under this Agreement are conditioned upon ongoing compliance, approvals and consents, including without limitation consent from the USBR, Westland's Water District, the State Water Resources Control Board, and any other authority with jurisdiction impacting this Agreement.
13. Conflicts of Interest. Neither City, nor its City Manager, nor any City Council member, department head, manager, employee, consultant, or agent of City, shall give to or receive from any director, employee or agent of Harris or any affiliate thereof any gift or entertainment of significant value, or any commission, fee, or rebate in connection with this Agreement.

*Signatures follow on next page.*

**IN WITNESS WHEREOF**, City and Harris agree to the terms and conditions herein.

**CITY OF COALINGA**

By: \_\_\_\_\_  
James Horn  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**HARRIS FEEDING COMPANY**

By: \_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Name Printed