

## **Appendix 7. Water Supply Contract**

RECORDING REQUESTED BY:

Lost Hills Water District

RECORDED FOR THE BENEFIT OF:

Lost Hills Water District

WHEN RECORDED MAIL TO:

Lost Hills Water District  
3008 Sillect Ave., Ste. 205  
Bakersfield, CA 93308

**LOST HILLS WATER DISTRICT**

**WATER SUPPLY CONTRACT**

THIS WATER SUPPLY CONTRACT is executed in duplicate as of the Effective Date by and between LOST HILLS WATER DISTRICT, a California water district organized and existing under and by virtue of the provisions of Division 13 of the Water Code ("District"), and \_\_\_\_\_ ("Buyer");

**W I T N E S S E T H:**

WHEREAS, on November 10, 1966, the District and the Agency<sup>1</sup> entered into the District Contract whereby the Agency agreed to sell to the District a supply of Project Water; and

WHEREAS, Buyer is the owner of Buyer's Land (defined in section 11.02 hereof); and

WHEREAS, the District and the Buyer desire to enter into a water supply contract pursuant to Water Code section 35554;

NOW, THEREFORE, IT IS AGREED between the District and the Buyer that the Standard Provisions (defined in section 11.05 hereof) are hereby incorporated by reference as though set forth in full in this Water Supply Contract and articles XI and XII are added to the Water Supply Contract to read as follows:

**ARTICLE XI.**

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<sup>1</sup> The word "Agency" and 32 additional words or phrases are defined in article II of the Standard Provisions. Those definitions, the definitions contained in article XI hereof, and the definitions contained in article II of the Rules shall govern the interpretation of the Water Supply Contract.

## ADDITIONAL DEFINITIONS

### 11.00. Annual Entitlement.

“Annual Entitlement” means the annual amount of Entitlement Water set forth in the attached **Exhibit A**.

### 11.01. Buyer’s Address.

“Buyer’s Address” means:

\_\_\_\_\_  
\_\_\_\_\_

### 11.02. Buyer’s Land.

“Buyer’s Land” means the parcel or parcels of real property in the District described in the attached **Exhibit A**.

### 11.03. Effective Date.

“Effective Date” means January 1, 1999 except as otherwise provided in section 12.03 hereof.

### 11.04. Standard Provisions.

“Standard Provisions” means the document recorded on November 2, 1998 as Document No. 0198151823 in the Official Records in the office of the Kern County Recorder.

## ARTICLE XII.

### SPECIAL PROVISIONS

### 12.00. Purchase and Sale of Annual Entitlement.

The District hereby sells to the Buyer as of the Effective Date and the Buyer hereby purchases from the District as of the Effective Date the Annual Entitlement to be delivered by the District to the Buyer for use on the Buyer’s Land under the terms of this Water Supply Contract.

### 12.01. Delivery Schedule.

The amounts, times and rates of delivery of Entitlement Water to the Buyer during any Year shall be in accordance with the water delivery schedule attached as **Exhibit B** unless the schedule is modified as provided in section 6.03 hereof.

12.02. Acknowledgment  
Regarding Charges.

The Buyer hereby acknowledges that the charges established and to be established under section 8.00 hereof are charges for water within the meaning of section 6 (c) of article XIII D of the California Constitution and that the tolls and charges established after July 1, 1997 as a result of the application of section 8.00 hereof do not constitute a new, extended or increased fee or charge within the meaning of section 6 (a) or 6 (b) of article XIII D of the California Constitution.

12.03. Transition Provisions.

This Water Supply Contract establishes the rights and obligations of the District and the Buyer with respect to the matters covered by this Water Supply Contract commencing as of the Effective Date which is January 1, 1999 except as provided in this section 12.03. Notwithstanding the provisions of sections 5.01 and 5.02 hereof and article VIII hereof, the following provisions shall apply for the Year 1999:

(a) The Board shall establish the charges provided in section 8.00 hereof at its regular meeting in the month of October, 1998.

(b) The District shall give the Buyer written notice of the Buyer's annual payment obligation for the Year 1999 on or before November 10, 1998. All of the amount shown on such notice shall be due and payable November 10, 1998. Fifty percent of the amount shown on such notice shall become delinquent if not paid on or before December 15, 1998 and the remaining 50% shall become delinquent if not paid on or before April 15, 1999.

(c) IF THE AMOUNT DUE DECEMBER 15, 1998 BECOMES DELINQUENT, THE DISTRICT, AT ITS ELECTION, SHALL HAVE THE RIGHT TO TERMINATE THIS WATER SUPPLY CONTRACT.

(d) Sections 5.01, 5.02, 8.01 and 8.02 hereof shall not be applicable for the Year 1999.

Resolution 595, as amended, shall apply with respect to the matters covered thereby for all water delivered or scheduled for delivery in the Year 1998.

12.04. Limitation on Permanent  
Transfer of Annual Entitlement.

The Annual Entitlement defined in section 11.00 hereof includes \_\_\_\_\_ acre feet that the Buyer contracted for in excess of 1.88 acre feet per acre. If the Buyer elects to permanently transfer any of its Annual Entitlement to any person, including the Buyer, for use outside the boundaries of the District, the Buyer shall first relinquish such

\_\_\_\_\_ acre feet of Annual Entitlement to the District at the cost paid to the District with no allowance for interest thereon.

IN WITNESS WHEREOF the District and the Buyer have executed this Water Supply Contract as of the Effective Date.

LOST HILLS WATER DISTRICT

\_\_\_\_\_

By \_\_\_\_\_  
Donald W. Elholm, President

By \_\_\_\_\_  
\_\_\_\_\_, Secretary

“Buyer”

By \_\_\_\_\_  
Phillip D. Nixon, Secretary

“District”