

**RESOLUTION NO. 2018-05**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT**  
**ESTABLISHING POLICY NO. 7200**  
**“OUT OF DISTRICT/BOUNDARY WATER SERVICE”**

WHEREAS, the Phelan Piñon Hills Community Services District (“the District”) is a Community Services District organized and operating pursuant to Government Code 61000 et seq.; and

WHEREAS, pursuant to Condition No. 6 of LAFCO Resolution No. 2994 and Section 61100(a) of the California Government Code, the District is authorized to supply water for any beneficial uses in the same manner as a municipal water district formed pursuant to California Water Code Section 71000; and

WHEREAS, the District supplies water service to parcels outside of its established service area, and the District has parcels within its established service area being served by non-jurisdictional water agencies, as a result of practice by the predecessor agency to the District; and

WHEREAS, the District desires to continue supplying existing water service outside of its established service area, and to continue allowing water service to be supplied by non-jurisdictional water agencies, to certain parcels upon approved request; and

WHEREAS, the District desires to supply new water service outside of its established service area, and to allow new water service to be supplied by non-jurisdictional water agencies, to certain parcels upon approved request; and

WHEREAS, the District desires to create a uniform process for water service supplied outside of its service area and for water service supplied to parcels within the District’s established service area by non-jurisdictional water agencies.

NOW, THEREFORE, BE IT RESOLVED that Policy No. 7200, “Out of District/Boundary Water Service” attached hereto is hereby adopted by the Board of Directors of the Phelan Piñon Hills Community Services District.

BE IT FURTHER RESOLVED by the District’s Board of Directors that this Resolution shall take effect immediately upon adoption.

APPROVED AND ADOPTED this 4<sup>th</sup> day of April, 2018.

AYES:           Morrissette, Pace, Roberts, Whalen  
NOES:           Brandon  
ABSTAIN:       NONE  
ABSENT:        NONE

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Clerk of the Board

**POLICY NO. 7200**

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**SECTION 7202. DEFINITIONS**

- 7202.01      **Agreement** – Water Service Agreement for Out of District Water Service
- 7202.02      **Applicant** – Property owner or designated agent on behalf of property owner.
- 7202.03      **Board** – Phelan Piñon Hills Community Services District’s Board of Directors
- 7202.04      **District** – Phelan Piñon Hills Community Services District
- 7202.05      **LAFCO** – Local Agency Formation Commission
- 7202.06      **Main** – A water line in streets, highways, alleys, easements, or right-of-ways used for the purpose of transmission and general distribution of water owned and operated by the District.
- 7202.07      **Mainline Extension** – An extension of a District mainline for the purpose of extending the District’s water system facilities to premises not currently adjacent to the same.
- 7202.08      **Noncontiguous** – Not adjoining to the District’s boundary.
- 7202.09      **Out of Boundary Water Service** – A property residing within District boundaries receiving water from a different water service provider.
- 7202.10      **Out of District Water Service** – Water service to a property residing outside of District boundaries receiving water service by the District.
- 7202.11      **Owner** – The person or entity in fee title, or in whose name the legal title to the property appears, by deed duly recorded in the County Recorder’s office, of the

person in possession of the property or buildings under claim of, or exercising acts of ownership over same for themselves, or as executor, administrator, guardian or trustee of the owner.

7202.12 **Water Letter** – A will serve letter; a notice of intent to serve water to a property that stipulates the fees payable to the District and the requirements for service.

**SECTION 7203. PROVISIONS**

7203.03 Out of District/Boundary water service must adhere to the following provisions:

7203.03.01 Out of District/Boundary water service will not adversely affect water service within the District.

7203.03.02 Out of District/Boundary water service will not significantly impact the District financially.

7203.03.02 Out of District/Boundary water service customers may, due to increased usage or other causes, or due to becoming adverse to the District’s interests, be terminated upon 120 days written notice.

7203.03.03 Except as set forth in this Policy, the rules and regulations of the District’s water rules and regulations shall apply to all out of District water customers.

7203.03.04 Any additional provisions outlined in the District’s Water Service Agreement for Out of District/Boundary Water Service.

**SECTION 7204. LIMITATIONS**

7204.02 Out of District/Boundary water service is limited to the following property types:

7204.02.1 Properties with existing out of District/Boundary service; or

7204.02.2 Properties that have a grandfathered/vested right to water service created by the property owner, or a predecessor agency, in interest for the construction of the mainline that would provide service to the property; or

7204.02.3 Properties that are contiguous to the District’s boundaries; or

7204.02.4 Properties that are non-contiguous to the District’s boundaries but are fronted by an existing District water mainline.

## **7205. RECORDING REQUIREMENT**

7205.01 The District will cause to be recorded a Notice of Condition for all new out of District/Boundary water service agreements.

7205.01 For all existing out of District/Boundary water service agreements, the District will cause to be recorded a Notice of Condition where it is determined a Notice of Condition is present but was not recorded.

7205.01 For all existing out of District/Boundary water service agreements where no Notice of Condition currently exists, or its whereabouts are unknown, the District will prepare, and cause to be recorded, a Notice of Condition outlining the provisions in the existing out of District/Boundary water service agreement.

## **7206. BOARD APPROVAL**

7205.01 Board approval for each application will be in accordance with the procedure outlined in Section 7208 of this policy.

7205.02 The Board will review and approve each Service Agreement for Out of District/Boundary Water Service ("Exhibit 1 or 2"), including attached exhibits to the Agreement.

7205.03 District Staff will obtain Board approval in a reasonable and timely manner.

## **7207. COSTS**

7204.04 The property owner shall provide a deposit and pay for all costs incurred as part of the staff investigative process, legal review, LAFCO approval process (if applicable), and any other related costs associated with out of District water service.

7204.05 Fees will include standard connection fees and an appropriate amount equivalent to property taxes that would be collected if parcel resided in the District's service area, as set by separate resolution or as specified in the Agreement.

## **7208. PROCEDURES**

7208.01 Requests for out of District water service for properties residing outside of the District's water service boundary, and desiring to be served by the District, the following procedures shall be followed in sequential order unless otherwise approved by the Board:

7208.01.1 The property owner shall provide a written request to the District stating the parcel number, the parcel address (if available), the total acreage, the intended use of the property, and the property owner's contact information.

7208.01.2 The property owner will obtain consent from their jurisdictional water service agency stating they will allow the District to serve the property and the reason for allowing the District to do so.

7208.01.3 The property owner will provide the District with a deposit in an amount established by separate resolution or as otherwise agreed upon.

7208.01.4 Staff will review the request and submit to the Board for approval to proceed with LAFCO approval, creation of water letter and agreement, and legal review.

7208.01.5 Staff will submit request to serve outside of jurisdictional boundaries to LAFCO. If LAFCO approval is required and LAFCO denies approval, the request for out of District water service shall be deemed denied and the property owner's deposit will be refunded less District costs incurred.

7208.01.6 Upon receipt of LAFCO approval, staff completion of water letter, agreement, and legal review, the Board will review, and possibly approve, the water letter and agreement and authorize execution of water letter and agreement by all applicable District parties.

7208.01.7 After water letter and agreement are executed, the property owner will pay all applicable fees pertaining to application for service, agreement, connection fees to the District's water system, out of District service fees, and any other applicable fees, as set forth by separate resolution or as stated in agreement; deposit shall be applied towards total costs.

7208.01.8 District staff shall cause to be recorded the approved Notice of Condition.

7208.01.9 A permit shall be issued and the property owner will become subject to applicable provisions in the District's Policy No. 7100 and may proceed with water service installation.

7208.02 Requests for out of boundary water service for properties residing inside of the District's water service boundary, but desiring to be served by an outside water agency, the following procedures shall be followed in sequential order unless otherwise approved by the Board:

7208.02.1 The property owner shall provide a written request to the District stating the parcel number, the parcel address (if available), the total acreage, the intended use of the property, and the property owners contact information.

7208.02.2 The property owner will obtain consent from the water service agency they desire to be served by, with said agency stating they are willing and able to provide service the property.

7208.02.3 The property owner will provide the District with a deposit in an amount established by separate resolution, or as otherwise agreed upon.

7208.02.4 Staff will review the request and submit to the Board for approval to create agreement, notice of condition, and obtain legal review.

7208.02.5 If LAFCO approval is required for outside water agency to service property, the agency or property owner shall complete the LAFCO application process and provide notice of approval or denial to the District.

7208.02.6 Upon receipt of LAFCO approval (if applicable), staff completion of agreement, and legal review, the Board will review, and possibly approve, the agreement and notice of condition, and authorize execution of the agreement by all applicable District parties.

7208.02.7 After the agreement is executed, the property owner will pay all applicable fees pertaining to the request and the agreement; the deposit shall be applied towards total costs.

7208.02.8 District staff shall cause to be recorded the approved Notice of Condition.

## AGREEMENT FOR OUT OF DISTRICT WATER SERVICE

This Agreement For Out of District Water Service (“**Agreement**”) is entered into effective \_\_\_\_\_, 2018 (“**Effective Date**”), by and between OTHER WATER AGENCY NAME, a DESCRIPTION OF WATER AGENCY (“**ACRONYM**”), and Phelan Piñon Hills Community Services District, a community services district of San Bernardino County, California (“**PPHCSD**”). ACRONYM and PPHCSD are sometimes hereafter referred to individually as “Party” and collectively as “Parties”.

### RECITALS

A. The real property described below (“**Property**”) lies within the ACRONYM water service boundary, but is not currently served by ACRONYM due to lack of proper infrastructure and/or access to the Property.

B. PPHCSD has the proper infrastructure and/or access, and is willing to provide the Property with water service.

C. ACRONYM has no objection to PPHCSD serving the Property on an interim basis, and/or until such time as ACRONYM constructs the necessary infrastructure and/or has the necessary access to serve the Property.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated into the Operative Provisions below, by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ACRONYM and PPHCSD agree as follows:

### OPERATIVE PROVISIONS

1. Service Details.

a. Property Owner(s): \_\_\_\_\_

b. Property Address: \_\_\_\_\_

c. Property APN: \_\_\_\_\_

d. Water Service Line to be Provided: \_\_\_1”\_\_\_1.5”\_\_\_2”\_\_\_other (specify)

e. Nearest ACRONYM Service Line: \_\_\_\_\_

f. Nearest PPHCSD Service Line: \_\_\_\_\_

g. Special Consideration/Facts: \_\_\_\_\_

2. **Responsibility for Service.** As of the Effective Date, ACRONYM hereby transfers and delegates responsibility for meeting both domestic and fire protection requirements for the Property to PPHCSD, and PPHCSD acknowledges and hereby accepts full responsibility for same, subject to any and all applicable legal requirements, as further described in that certain Will Serve Letter for the Property, attached hereto as Exhibit "A" and incorporated herein by this reference.

3. **Possible Eventual Service by ACRONYM.** The Parties acknowledge and agree that in the event ACRONYM constructs a water mainline within \_\_\_\_\_, the Property Owner shall be required to establish service with ACRONYM, including Property Owner's payment of all costs, including but not limited to connection fees, improvement fees, meter installation fees, and any permits. The Parties further acknowledge and agree that ACRONYM has, and shall have in the future, no obligation to construct a water mainline capable of serving the Property. PPHCSD agrees to reasonably cooperate with ACRONYM, at such time as ACRONYM may construct a water mainline, to transfer responsibility for service to the Property back to ACRONYM, including terminating service to the Property upon written request by ACRONYM and the Property Owner to do so. Upon any such establishment of water service with ACRONYM, PPHCSD shall take any and all actions it deems necessary in the exercise of its discretion to terminate PPHCSD's service to the Property and shall thereafter have no further obligation to provide water service (including fire protection service) to the Property.

4. **Statement of Acknowledgement.** The Parties agree that prior to commencement of any service pursuant to this Agreement, the Property Owner shall be required to execute the Acknowledgement and Consent by Owner(s) on the signature page of this Agreement and a Statement of Acknowledgement-Notice of Condition Regarding Water Service Agreement ("**Statement of Acknowledgement**") in the form attached hereto as Exhibit "B" and incorporated herein by this reference. Thereafter, the Statement of Acknowledgement shall be recorded against the Property.

5. **Time of the Essence.** Time is of the essence of this Agreement, and failure to comply with this provision shall constitute a material breach of this Agreement.

6. **Indemnification.** PPHCSD shall, and does hereby, indemnify and hold harmless ACRONYM from and against any and all claims, demands, liability, actions, causes of action, costs, expenses, attorney's fees, and obligations arising out of, or in any way connected with, any violation of law, ordinance, or regulation related to PPHCSD's service of the Property, and otherwise resulting from the service of the Property from the Effective Date, and for as long as PPHCSD continues to serve the Property. During all other times, ACRONYM shall, and does hereby, indemnify and hold harmless PPHCSD from and against any and all claims, demands, liability, actions, causes of action, costs, expenses, attorney's fees, and obligations arising out of, or in any way connected with, any violation of law, ordinance, or regulation related to ACRONYM's service of the Property, and otherwise resulting from the service of the Property.

7. **Compliance with Laws.** PPHCSD shall, at its sole cost and expense, faithfully observe and comply with all requirements of all municipal, state, and federal authorities now in force, or which may hereafter be enacted, pertaining to service of the Property. In the event that PPHCSD's provision of water service to the Property is not authorized or permitted by any

governmental agency with lawful jurisdiction, this Agreement shall be null and void and PPHCSD shall have no obligation to serve the Property.

**8. Governing Law.** This Agreement shall be construed and governed by the laws of the State of California. The Parties agree to the jurisdiction and venue of the Superior Court of San Bernardino County, Central Division to hear any actions arising under, related to, or connected with this Agreement.

**9. Entire Agreement.** This Agreement and the exhibits hereto supersede any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between the Parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

**10. Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

**11. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. In order to expedite matters, electronic signatures may be used in place of original signatures on this Agreement. The Parties hereto intend to be bound by the signatures on the electronic document, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the use of an electronic signature; provided, however, that the Parties hereby agree to execute and provide to each other original signatures, upon the request made by either Party to the other.

**IN WITNESS WHEREOF,** ACRONYM and PPHCSD enter into this Agreement effective as of the Effective Date set forth above.

**“PPHCSD”**

Phelan Piñon Hills Community Services  
District

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**“ACRONYM”**

OTHER WATER AGENCY NAME

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ACKNOWLEDGEMENT AND CONSENT  
BY OWNER(S):**

**I/We, the undersigned, are the above-  
described Property Owner, and I/we hereby  
acknowledge, consent to, and agree to abide  
by the terms of the foregoing Agreement for  
Out of District Water Service.**

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Exhibit A

[Date]

PROPERTY OWNER

[Mail Address]

[City, State, Zip]

Re: Water Letter - Notice of Intent to Serve/Sewer Availability Letter  
Assessor Parcel Number: #####-###-##  
Property Address: [ADDRESS]

Dear PROPERTY OWNER:

This letter is in response to your application for water service (“Applicant”) for the purpose of STATE PURPOSE (“SHORT TITLE”) on the above referenced property (“Property”). Please be aware that the Phelan Piñon Hills Community Services District (“District”) does not provide sewer facilities within the District boundaries, nor are sewer facilities provided by any other entity. The Property is not within the District boundaries; however, the District has the ability to provide domestic water service to the Property upon payment of applicable fees and satisfaction of District requirements, including but not limited to, the following:

- The current fees payable to the District, which shall be non-refundable, are:

Water Connection Fee	\$
Out of District Service Fees (2008-20__)	\$
Meter Installation (Estimated)	\$
Water Permit Fee	\$
Total	\$

- Plot plan to scale indicating street names, roads and water service line easements, dimensions and structure location.
- If applicable, written authorization to cross San Bernardino County Drainage Easement will be required if service line crosses a drainage easement. Contact the San Bernardino County Permitting Department: (909) 387-7995.
- If the Property has been purchased within the last 6 months, a copy of the Grant Deed or Closing Escrow Statement, to verify property ownership.

## PROPERTY OWNER

[Date]

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- In accordance with the mandated regulations imposed by the State Water Resources Control Board, resulting in the District's Ordinance 2016-01, prior to the District's acceptance of fee payment, the legal Property owner is required to meet with the District's Conservation Program Administrator. The District requires that all new customers, and those customers constructing new structures on properties served by the District, be made aware of said conditions and mandates. To that end, you will find enclosed the following documents:
  1. Phelan Piñon Hills Community Services District Ordinance 2016-01
  2. High Desert Guide to Water Conservation
  3. Acknowledgment of District Water Conservation Measures and Restrictions; signature required by legal property owner(s).
- Complete Owner Application.
- This letter is subject to the following additional conditions and reservations:
  1. Construction of SHORT TITLE facilities deemed adequate by the District to connect to existing and proposed District facilities must be in compliance with the District's Rules, Regulations, Resolutions, and Ordinances in effect at the time of connection. Any SHORT TITLE facilities that will become a part of the District's water system must be approved in advance by the District as to design and functionality. On-site water plans required for plan checks. Plan check and inspection fees to be calculated at submittal.
  2. Operation of the SHORT TITLE must comply with all Rules, Regulations, Resolutions, and Ordinances of the District in force and effect at the time water service is actually requested and as may be amended from time to time by the District. Any part of the SHORT TITLE that is connected to the District's water system shall operate in accordance with the rules and standards of the District, and any conditions placed by the District on the provision of water service.
  3. The Applicant must pay when due any and all rates, charges, fees, deposits, fines, penalties, taxes, and assessments levied by the District, including, but not limited to, the payment of an annual *Out of District Service Fee* to the District in the amount of .7% of the annual assessed valuation of the Property, and the payment of any levies imposed by the District and/or the Mojave Water Agency for the purpose of purchasing import water to replace the groundwater produced by the SHORT TITLE.

PROPERTY OWNER

[Date]

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4. The Applicant executes the *Agreement for Out of District Water Service* between the District and OTHER WATER COMPANY dated \_\_\_\_\_, 2018 (“Agreement”), acknowledging Applicant’s consent to the terms and conditions thereof and Applicant’s agreement to comply with the provisions thereof.
5. The District’s obligation to furnish water service to the SHORT TITLE shall be subject to the District’s Rules, Regulations, Resolutions, and Ordinances that are in force and effect at the time water service is actually requested and as may be amended from time to time by the District. In the event that the District’s provision of water service to the Property is not authorized or permitted by any governmental agency with lawful jurisdiction, this letter shall be null and void and the District shall have no obligation to serve the Property.
6. The District makes no express or implied representations or warranties concerning the quality, pressure, or temperature of the water furnished to the SHORT TITLE, or the manner in which the water is made available, or its fitness for any particular purpose, and the District shall not be held liable for any losses incurred or damages sustained as a direct or indirect result thereof. Any water made available to the SHORT TITLE shall not serve as the basis of, or otherwise support, any water rights claim that may be asserted by the Applicant.
7. The District shall not be held liable or responsible for any debts or claims that may arise from the operation of the SHORT TITLE, or for any damage claims for injury to persons, including the Applicant and its agents, employees, guests, invitees, trespassers, contractors, and consultants, or for property damage, or for other loss to any vehicle or the contents thereof, from any cause arising out of or in any way related to the Applicant’s use of the water hereby received or the Applicant’s ownership, occupancy, and operation of the SHORT TITLE, including those arising out of damages or losses occurring on or adjacent to the SHORT TITLE site.
8. The Applicant hereby expressly waives and releases the District and its agents, officers, directors, and employees from any and all liability for the claims, actions, and/or losses set forth in Section 7 above and for any costs and expenses incurred in connection therewith. The Applicant, notwithstanding the provisions of California Civil Code Section 1542, which provides that “[a] general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor,” expressly waives and relinquishes all rights and benefits afforded to the Applicant thereunder and under any and all similar laws of any state or territory of the United States with respect to the claims, actions,

PROPERTY OWNER

[Date]

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and/or losses referenced above. Applicant's acceptance of this letter shall act as a release of any and all future claims that may arise from the aforementioned whether such claims are currently known, unknown, foreseen, or unforeseen. The Applicant understands and acknowledges the significance and consequences of such specific waiver of Civil Code Section 1542 and hereby assumes full responsibility for any injuries, damages, losses, or liability that may result from the claims identified above.

9.

- (A) Excepting the sole or active negligence or willful misconduct of the District, the Applicant shall indemnify the District and its officers, directors, agents, shareholders, and employees against, and hold them free of and harmless from, all claims and liabilities of any kind arising out of, in connection with, or resulting from, the Agreement, as well as any and all acts or omissions on the part of the Applicant and/or his agents, guests, invitees, trespassers, contractors, consultants, and employees in connection with the use of the water received pursuant hereto and/or Applicant's ownership or occupancy of the Property and/or the operation of the SHORT TITLE, and defend the District and its officers, directors, agents, shareholders, and employees from any suits or actions at law or in equity and to pay all court costs and counsel fees incurred in connection therewith.
- (B) In addition, the Applicant shall defend, indemnify, and hold the District and its officers, directors, agents, shareholders, and employees, free of and harmless from and against, all claims, losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs, expenses (including, without limitation, the reasonable fees and disbursements of legal counsel, expert witnesses, and accountants), and all foreseeable and unforeseeable consequential damages which might arise or be asserted against the District and/or the Applicant with regard to the condition of the Property or the activities conducted thereon, which are alleged and/or determined to be tortious and/or in violation of present and future federal, state, and local laws (whether under common law, case law, statute, rule, regulation, or otherwise).
- (C) The Applicant, for itself and on behalf of its affiliates, subsidiaries, parent companies, and successors in interest, agrees, as a condition of issuance of this letter, to defend at its sole expense any action brought against the District, its agents, employees or officers, because of the issuance of any approvals or authorizations contained herein, or in the alternative, to relinquish such approval. The Applicant shall reimburse the District, its agents, employees, or officers, for any court costs and attorneys' fees which the District, its agents employees or officers may be required to pay as a result of such action. The District may, in its

PROPERTY OWNER

[Date]

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discretion, participate at its own expense in the defense of any such action but such participation shall not relieve the Applicant of its obligations under this condition.

10. The Applicant shall procure and maintain during the life of the SHORT TITLE such policies of insurance, bonds from an acceptable surety, cash deposits, escrow accounts, letters of credit, and other forms of security, in amounts and upon terms deemed sufficient by the District in its sole discretion to protect the District from any and all exposure to loss and/or liability as a result of the SHORT TITLE and from any adverse impact of the SHORT TITLE, including, but not limited to, increased costs of providing water, operational and capital costs associated with decreased water supply, or the degradation of water quality, and reduced well yields.
11. At any time prior to connection, upon a determination by the Board of Directors of the District, this letter may be revoked in writing.
12. After connection, the following shall be deemed events of default and cause for immediate revocation of this letter by the District:
  - (A) The Applicant's failure to adequately comply with any term, condition, or covenant contained herein.
  - (B) The Applicant sells, leases, deserts, vacates, or abandons any substantial portion of the SHORT TITLE, or a receiver or trustee is appointed for all or substantially all of the assets of the Applicant.
  - (C) Water resources are no longer available to serve the SHORT TITLE, and/or the Board of Directors of the District exercises its rights under Water Code Section 31026, and/or a water shortage emergency is declared pursuant to Water Code Section 350 et seq.
  - (D) The imposition of limitations and/or constraints on water service placed on the District by court order, or by decree of a tribunal or other governmental body with competent jurisdiction, or by the negotiation and execution of outside agreements.
  - (E) Delivery of water to the SHORT TITLE is interrupted by riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, and fires, and other labor disturbances or other catastrophic events which are beyond the control of the District.

PROPERTY OWNER

[Date]

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- (F) The service of water to the SHORT TITLE would adversely affect the health, safety, and/or welfare of any customers of the District.
13. This water service letter is exclusive to the SHORT TITLE described above and may not be transferred or assigned for any other purpose or SHORT TITLE.
14. This letter, and any representations made herein, shall be null and void if the SHORT TITLE is not approved by the appropriate governmental agencies with jurisdiction over the SHORT TITLE. If the SHORT TITLE is approved by such agencies, the Applicant must ensure that the terms and conditions of this letter must be incorporated in the permit(s) issued therefor.

Subsequent field investigations by the District could determine that supplementary charges for labor and/or materials may be required in addition to the above listed items.

This letter is valid for a period of **ONE YEAR** from the date issued. Information is based on a proposed gas station for the referenced parcel. A zone change or subdivision invalidates this letter. **All fees are subject to change.**

Sincerely,

George Cardenas  
Engineering Manager

Enc.: Acknowledgement of District Water Conservation Measures and Restrictions  
Phelan Piñon Hills Community Services District's Ordinance 2015-02  
High Desert Guide to Water Conservation

**Exhibit "B"**

Recording Requested By:

When Recorded Return To:

OTHER WATER AGENCY NAME

ADDRESS 1

ADDRESS 2

APN:

(Space Above This Line For Recorder's Use)

**STATEMENT OF ACKNOWLEDGEMENT AND AGREEMENT-NOTICE OF  
CONDITION REGARDING WATER SERVICE CONNECTION**

This Statement of Acknowledgement-Notice of Condition Regarding Water Service Connection ("**Acknowledgement**") is entered into effective \_\_\_\_\_, 2018 ("**Effective Date**"), by the undersigned property owner(s) named below ("**Property Owner**"), relative to water service to be established consistent with the terms of that certain unrecorded Agreement for Out of District Water Service ("**Agreement**") having the same Effective Date as this Acknowledgement.

**Property Owner hereby acknowledges and agrees to be bound by the following:**

**1. Service Details.**

**a. Property Owner(s):** \_\_\_\_\_

**b. Property Address:** \_\_\_\_\_

**c. Property APN:** \_\_\_\_\_

**d. Water Service Line to be Provided:** \_\_1"\_\_1.5"\_\_2"\_\_other (specify)

- 2. Property Owner is the fee owner of the above-referenced real property, more particularly described on attached Schedule I ("**Parcel**").
- 3. Property Owner acknowledges and agrees that the Parcel lies within the water service boundary of OTHER AGENCY NAME ("**ACRONYM**"), but is not currently being served by ACRONYM due to lack of proper infrastructure and/or access to the Parcel.
- 4. Property Owner hereby acknowledges and agrees, and has consented by countersignature of the Agreement, that water service for the Parcel has been

conditionally authorized for connection to a water main line adjacent to the Parcel owned and/or operated by Phelan Piñon Hills Community Services District (“PPHCSD”).

5. Property Owner hereby acknowledges and agrees that ACRONYM does not guarantee, nor shall it be held responsible, for resulting water service pressure, and/or flow capacity to the Parcel for domestic, fire flow, or other use, during the period of water service to the Parcel by PPHCSD.
6. Property Owner hereby acknowledges and agrees that in the event ACRONYM constructs a water mainline in the area of the Parcel, Property Owner shall be required to establish service with ACRONYM, including payment by Property Owner of all related costs, including but not limited to connection fees, improvement fees, meter installation fees and any permits. Property Owner further acknowledges and agrees that ACRONYM has, and shall have in the future, no obligation to construct a water mainline capable of serving the Parcel. Upon any such establishment of water service with ACRONYM, PPHCSD shall take any and all actions it deems necessary in the exercise of its discretion to terminate PPHCSD’s service to the Parcel and shall thereafter have no further obligation to provide water service (including fire protection service) to the Parcel.
7. Property Owner hereby acknowledges and agrees that this Acknowledgement shall be binding upon and shall inure to the benefit of the successors and assigns of Property Owner, ACRONYM, and PPHCSD.

**As the Property Owner(s) of the Parcel(s), I/we hereby acknowledge and agree as stated above.**

**PROPERTY OWNER**

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**NOTARY ACKNOWLEDGEMENT**

(California All-Purpose Acknowledgment)

This Notary Acknowledgement is attached to a document entitled *Statement of Acknowledgement and Agreement Notice of Condition Regarding Water Service Connection*.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**Schedule I**

**“Parcel” Legal Description**

*[Insert from Owner’s Vesting Deed]*

DRAFT

## AGREEMENT FOR OUT OF BOUNDARY WATER SERVICE

This Agreement For Out of Boundary Water Service (“**Agreement**”) is entered into effective \_\_\_\_\_, 2018 (“**Effective Date**”), by and between **OTHER WATER AGENCY**, a California corporation and privately-held mutual water company (“**ACRONYM**”), and Phelan Piñon Hills Community Services District, a community services district of San Bernardino County, California (“**PPHCSD**”). **ACRONYM** and **PPHCSD** are sometimes hereafter referred to individually as “Party” and collectively as “Parties”.

### RECITALS

**A.** The real property described below (“**Property**”) lies within the **PPHCSD** water service boundary, but is currently served by **ACRONYM**.

**B.** **PPHCSD** is willing to permit **ACRONYM** to continue serving the Property on an interim basis in accordance with the terms of this Agreement until such time as **PPHCSD** determines in the exercise of its sole discretion that **PPHCSD** shall provide service to the Property.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated into the Operative Provisions below, by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **ACRONYM** and **PPHCSD** agree as follows:

### OPERATIVE PROVISIONS

**1. Service Details.**

- a. **Property Owner(s):** \_\_\_\_\_
- b. **Property Address:** \_\_\_\_\_
- c. **Property APN:** \_\_\_\_\_
- d. **Water Service Line to be Provided:** \_\_\_1”\_\_\_1.5”\_\_\_2”\_\_\_other (specify)
- e. **Nearest **ACRONYM** Service Line:** \_\_\_\_\_
- f. **Nearest **PPHCSD** Service Line:** \_\_\_\_\_
- g. **Special Consideration/Facts:** \_\_\_\_\_

**2. Responsibility for Service.** For the period of time that the information contained in Section 1 of this Agreement remains accurate, **PPHCSD** shall continue to delegate responsibility for meeting both domestic and fire protection requirements for the Property to

ACRONYM, and ACRONYM acknowledges and accepts full responsibility for same, subject to any and all applicable legal requirements.

3. **Possible Eventual Service by PPHCSD.** The Parties acknowledge and agree that, upon a change of ownership to the Property, the subsequent owner of the Property shall be required to establish service with PPHCSD, including the payment of all costs, fees, and charges, including but not limited to connection fees, improvement fees, meter installation fees, and any permits, at any time deemed appropriate by PPHCSD in the exercise of its sole discretion. Upon any such determination by PPHCSD, ACRONYM agrees to reasonably cooperate with PPHCSD to transfer responsibility for service to the Property to PPHCSD, including terminating service to the Property upon written request by PPHCSD to do so.

4. **Statement of Acknowledgement.** The Parties agree that prior to commencement of any service pursuant to this Agreement, the Property Owner shall be required to execute the Acknowledgement and Consent by Owner(s) on the signature page of this Agreement and a Statement of Acknowledgement-Notice of Condition Regarding Water Service Agreement (“**Statement of Acknowledgement**”) in the form attached hereto as Exhibit “A” and incorporated herein by this reference. Thereafter, the Statement of Acknowledgement shall be recorded against the Property.

5. **Time of the Essence.** Time is of the essence of this Agreement, and failure to comply with this provision shall constitute a material breach of this Agreement.

6. **Indemnification.** ACRONYM shall, and does hereby, indemnify and hold harmless PPHCSD from and against any and all claims, demands, liability, actions, causes of action, costs, expenses, attorney’s fees, and obligations arising out of, or in any way connected with, any violation of law, ordinance, or regulation related to ACRONYM’s service of the Property, and otherwise resulting from the service of the Property from the Effective Date, and for as long as ACRONYM continues to serve the Property. During all other times, PPHCSD shall, and does hereby, indemnify and hold harmless ACRONYM from and against any and all claims, demands, liability, actions, causes of action, costs, expenses, attorney’s fees, and obligations arising out of, or in any way connected with, any violation of law, ordinance, or regulation related to PPHCSD’s service of the Property, and otherwise resulting from the service of the Property.

7. **Compliance with Laws.** ACRONYM shall, at its sole cost and expense, faithfully observe and comply with all requirements of all municipal, state, and federal authorities now in force, or which may hereafter be enacted, pertaining to service of the Property. In the event that ACRONYM’s provision of water service to the Property is not authorized or permitted by any governmental agency with lawful jurisdiction, this Agreement shall be null and void and ACRONYM shall have no entitlement or obligation to serve the Property.

8. **Governing Law.** This Agreement shall be construed and governed by the laws of the State of California. The Parties agree to the jurisdiction and venue of the Superior Court of San Bernardino County, Central Division to hear any actions arising under, related to, or connected with this Agreement.

9. **Entire Agreement.** This Agreement and the exhibits hereto supersede any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between the Parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

10. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. In order to expedite matters, electronic signatures may be used in place of original signatures on this Agreement. The Parties hereto intend to be bound by the signatures on the electronic document, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the use of an electronic signature; provided, however, that the Parties hereby agree to execute and provide to each other original signatures, upon the request made by either Party to the other.

**IN WITNESS WHEREOF,** ACRONYM and PPHCSD enter into this Agreement effective as of the Effective Date set forth above.

**“PPHCSD”**

Phelan Piñon Hills Community Services District

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**“ACRONYM”**

OTHER WATER AGENCY

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**ACKNOWLEDGEMENT AND CONSENT BY OWNER(S):**

**I/We, the undersigned, are the above-described Property Owner, and I/we hereby acknowledge, consent to, and agree to abide by the terms of the foregoing Agreement for Out of District Water Service.**

[Sign:] \_\_\_\_\_

Print Name: \_\_\_\_\_

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

[Sign:] \_\_\_\_\_

Print Name: \_\_\_\_\_

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

**Exhibit "A"**

Recording Requested By:

When Recorded Return To:

Phelan Pinon Hills Community Services  
District  
P.O. Box 294049  
Phelan, CA 92329-4049

APN:

(Space Above This Line For Recorder's Use)

**STATEMENT OF ACKNOWLEDGEMENT AND AGREEMENT-NOTICE OF  
CONDITION REGARDING WATER SERVICE CONNECTION**

This Statement of Acknowledgement-Notice of Condition Regarding Water Service Connection ("**Acknowledgement**") is entered into effective \_\_\_\_\_, 2018 ("**Effective Date**"), by the undersigned property owner(s) named below ("**Property Owner**"), relative to water service to be established consistent with the terms of that certain unrecorded Agreement for Out of Boundary Water Service ("**Agreement**") having the same Effective Date as this Acknowledgement.

**Property Owner hereby acknowledges and agrees to be bound by the following:**

**1. Service Details.**

**a. Property Owner(s):** \_\_\_\_\_

**b. Property Address:** \_\_\_\_\_

**c. Property APN:** \_\_\_\_\_

**d. Water Service Line to be Provided:** \_\_1"\_\_1.5"\_\_2"\_\_other (specify)

**2.** Property Owner is the fee owner of the above-referenced real property, more particularly described on attached Schedule I ("**Parcel**").

**3.** Property Owner acknowledges and agrees that the Parcel lies within the water service boundary of Phelan Pinon Hills Community Services District ("**PPHCSD**"), but is currently being served by **OTHER WATER AGENCY** ("**ACRONYM**").

4. Property Owner hereby acknowledges and agrees, and has consented by countersignature of the Agreement, that water service for the Parcel has been conditionally authorized for connection to a water main line owned and/or operated by ACRONYM.
5. Property Owner hereby acknowledges and agrees that PPHCSD does not guarantee, nor shall it be held responsible, for resulting water service pressure, and/or flow capacity to the Parcel for domestic, fire flow, or other use, during the period of water service to the Parcel by ACRONYM.
6. Property Owner hereby acknowledges and agrees that upon any future determination by PPHCSD, in the exercise of its sole discretion, Property Owner shall be required to establish service with PPHCSD, including payment by Property Owner of all related costs, fees, and charges, including but not limited to connection fees, improvement fees, meter installation fees, and any permits.
7. Property Owner hereby acknowledges and agrees that this Acknowledgement shall be binding upon and shall inure to the benefit of the successors and assigns of Property Owner, ACRONYM, and PPHCSD.

**As the Property Owner(s) of the Parcel(s), I/we hereby acknowledge and agree as stated above.**

**PROPERTY OWNER**

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

[Sign:] \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**NOTARY ACKNOWLEDGEMENT**

(California All-Purpose Acknowledgment)

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State of \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_,  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**Schedule I**

**“Parcel” Legal Description**

*[Insert from Owner’s Vesting Deed]*

