

NAVAJO GALLUP WATER SUPPLY PROJECT
EASEMENT AGREEMENT

This Agreement made and entered in this 14th day of July 2020, by and between the City of Gallup, a New Mexico municipal corporation, hereinafter referred to as "City", and Rico Land and Cattle Company, hereinafter referred to as "Rico", the property owner,

WHEREAS, City desires to obtain an easement across property owned or controlled by Rico for the placement of a waterline and appurtenances including powerline, communication line, access road, valves and building for what is known as the Navajo Gallup Water Supply Project (NGWSP) and;

WHEREAS, Rico is willing to grant such easement to the City at no cost, under certain conditions and for certain consideration, it is hereby agreed as follows:

1. Rico is granting the easement needed by the City for the NGWSP simultaneous with this agreement, and in consideration for the covenants and promises made in this agreement.
2. Rico will be able to access NGWSP waterline, when built, at three (3) locations as agreed to by the parties at no cost. The parties further agree that City shall cause to be installed three (3) crosses at an agreed upon location, with proper valving, for the purpose of future service to Rico at no cost to Rico. Upon Rico making use of such connection, Rico shall be responsible for all costs associated with the materials, labor and equipment necessary to provide water service to all Rico property located south of the city limits within Sections 5 and 6, T14N, R18W N.M.P.M. McKinley County N.M. The water line installation shall be in accordance with City standards and details.
3. The parties agree Rico, once tapped into the water supply, will be at the rate charged by the City for water within the city limits to commercial customers (commercial volume charge) plus the customary monthly service charge plus any applicable surcharges and taxes, with the same being subject to periodic rate changes in Gallup's water rates and not at the higher rate for water customers outside the city limits of Gallup.
4. In addition to the provisions above, City agrees that there will be no fees, such as tap fees, charged to Rico in the future if, and when, Rico, or its successors-in-interest desire to access the water line which is to be constructed on the easements granted by Rico. Rico understands that it will be responsible for any and all costs associated with the design and construction of any pipe lines, valves, pressure regulators, pumps, tanks or other appurtenances necessary to provide water of sufficient capacity and pressure to support development by Rico on its property.

5. Rico understands and agrees that they will be required to obtain and install any equipment which may be necessary to reduce water pressure from the NGWSP line and install other equipment at their own expense in order to use it in a commercially reasonable way.
6. Rico understands that the amount of water City will be obtaining as part of the NGWSP is limited in both quantity and availability, and supplies to Rico in support of future development will be limited by the constraints placed on City under its various agreements for NGWSP, and subject to State and Federal regulations.
7. The parties warrant that each has the legal authority to enter into this Agreement is binding upon their respective successors, assigns, grantees, or any entity claiming by or through them.
8. This Agreement may only be modified or changed herein by a subsequent written agreement executed by both parties hereto.

By: 
Martin Menapace, President

CITY OF GALLUP

By: _____
Louis Bonaguidi, Mayor

Attest:

By: _____
Alfred Abeita, City Clerk