

WATER SALE AGREEMENT

This Agreement is made and entered into by and between the County of San Luis Obispo ("Customer") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, ("Company"). WHEREAS, Customer desires Company to provide sale of non-potable water and Company desires to do so pursuant to the terms and conditions set forth in this Agreement. NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set out in this Agreement, Customer and Company agree as follows:

The Company is willing to sell the non-potable water to Customer under the terms and conditions of this Agreement.

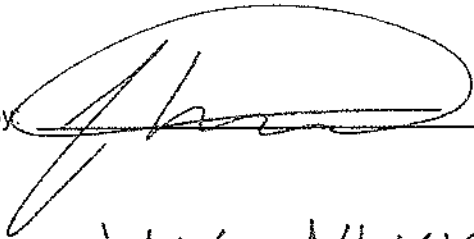
This Agreement is subject to the following conditions:

1. **Scope of Service:** This Agreement governs the sale of non-potable water to Customer or other governmental agency acting on behalf of Customer for public health and safety reasons. Company's generation of non-potable water is a byproduct of the Company's safe power plant operations and Company does not guarantee the availability of non-potable water for sale to Customer.
2. Customer shall be responsible to make all arrangements and bear all costs associated with its use of the non-potable water, including but not limited to the following: loading and transporting the non-potable water from the Company's location to Customer's site in a vessel/vehicle provided by Customer.
3. Customer shall pay Company charges, in accordance with Exhibit A, for the sale of the non-potable water.
4. The term of this Agreement shall be for 5 years and during the term, Customer may, but is not obligated to purchase non-potable water.
5. Customer shall indemnify, save and hold harmless Company, its officers, managers, parent company, directors, agents and employees, against all claims, demands, losses, damages, costs, expenses and liability of any nature brought for, or on account of any injury to or death of persons, damage to property, violation of law or strict liability imposed by any law or regulation arising out of or connected with Customer's use or shipment of the non-potable water.
6. Company shall assume no liability for the availability, arrangements, transportation or use of the non-potable water. In no event shall company be liable in contract, tort, strict liability, indemnity, warranty or otherwise, for any special, indirect, incidental, or consequential damages including but not limited to, loss of anticipated profits or revenue, loss of use of system, nonoperation or increased cost of operation of other equipment, cost of capital, cost of purchased or replacement product or power, or claims of customers for loss or damage of any nature whatsoever.
7. This Agreement shall be in effect for a 5 year period from the date last signed by the parties unless sooner terminated by Customer or Company as permitted by this Agreement. Either party may terminate this Agreement at any time by giving the other party thirty (30) days written notice, provided, however, any such termination shall not affect Company's obligation to perform services during the thirty (30) day notice period or Customer's obligation to pay Company for services rendered to the date of termination, including during the thirty (30) day notice period. Company may terminate this Agreement immediately and without prior notice in the event that the California Public Utilities Commission issues a ruling or order prohibiting or otherwise preventing Company from fulfilling, or substantially interfering with Company's ability to fulfill, its obligations under this Agreement, or finding that this Agreement is contrary to the policies of the California Public Utilities Commission. In the event of any such termination, Customer will be liable to Company only for the unpaid balance of any non-potable water used by Customer but not yet invoiced.
8. Neither this Agreement nor the services to be provided under this Agreement shall be assigned, subcontracted, or otherwise transferred by either Customer or Company without the prior written consent of the other party. Such consent shall not be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon Customer and Company and their respective successors and assigns.

9. The failure of either party to exercise any right under this Agreement or to take any action permitted on a breach of the other party shall not be deemed a waiver of such right or of any other rights in the event of a subsequent breach of a like or different nature. This Agreement shall be governed by and construed in accordance with the laws of the state of California. The terms and conditions set forth in this Agreement are intended by Company and Customer to constitute the final and complete statement of their Agreement and all prior proposals, communications, negotiations, understandings, and representations relating to the subject matter of this Agreement, whether verbal or written, are hereby superseded. No modification or amendment of the Agreement shall be effected unless the modification or amendment is in writing and signed by both parties.
10. This Agreement is for the benefit of Customer only. In the event of a wildland fire, the agency of jurisdiction (e.g. Cal Fire, Bureau of Land Management, United States Forest Service) shall enter into a separate agreement with Company for the purchase of water should those parties so desire. Additionally, any water used on Company real property shall be used at the sole expense of Company.
11. The non-potable water is provided on an as-is where-is basis. Company expressly disclaims any representations or warranties of any kind or nature concerning the non-potable water, express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. No employee, agent or representative of company has any authority to make or bind company to any representation or warranty concerning the non-potable water furnished under this agreement, and any such oral or written representation or warranty not expressly set forth in this agreement shall not be enforceable.
12. Any Purchase Order(s), or other similar documents issued by the Customer in connection with work or services performed under this Agreement are only for the Customer's convenience in processing payment to Company under this Agreement. The standard terms and conditions which may be included on said Purchase Order(s) or other documents are null and void and do not apply to this Agreement. This Agreement is the sole contract between Company and Customer for the services covered under this Agreement.
13. Customer acknowledges that Company has an obligation to maintain, repair and service its own facilities, including those under the operation and control of the California Independent System Operator, in order to perform its duties as a public utility, which obligation takes precedence over any obligations undertaken in this Agreement. Accordingly, if Company determines at any time, in its sole discretion, that it requires any personnel or resources previously committed to the performance of services for Customer under this Agreement in order to maintain adequate service to Company's other customers or to fulfill its duties as a public utility, then Company shall have the right to divert the use of such personnel or resources to satisfy such requirements. If as a result of such action, Company is unable to perform its obligations under this Agreement, Company shall be excused from whatever performance is affected by such action to the extent so affected. In that event, Company shall have no liability to Customer, and shall not be considered in default under this Agreement, for such failure to perform.
14. Pursuant to California Government Code section 8546.7, every County contract involving the expenditure of funds in excess of ten thousand dollars (\$10,000) is subject to examination and audit of the State auditor for a period of three years after final payment under the Agreement. Company shall permit the State Auditor to have access to any pertinent books, documents, papers and records for the purpose of said audit.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed as of the date first written above.

PACIFIC GAS & ELECTRIC COMPANY

By:  _____

Name: JAN MIMICK

Title: STATION DIRECTOR, DCP?

Date: 05 MAY 15

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By:  _____
Deputy County Counsel

Date: 4/21/15

COUNTY OF SAN LUIS OBISPO,
A Public Entity of the State of California

By: _____
Chairperson of the Board of Supervisors

Date: _____

ATTEST:

TOMMY GONG
County Clerk Recorder and Ex-Officio Clerk of the
Board of Supervisors

By: _____
Deputy Clerk

Date: _____

Exhibit A

Non-potable water Sale Rate: Customer shall pay Company \$3.34 per 1,000 gallons (\$1,086 per acre foot) for the sale of the non-potable water. Starting January 1, 2016, and each year thereafter for the duration of this contract, the non-potable water sale rate will be escalated at the rate of three (3%) percent each year.

Invoicing/Fees: Company will submit an invoice to Customer for the non-potable water sale and other charges related to this contract after services are rendered. The invoice will reference the Agreement number and be submitted to the following address:

Customer Name:
County of San Luis Obispo, Office of Emergency Services
Attn: Ron Alsop
Street Address: 1055 Monterey Street, Room D-430
City, State and Zip: San Luis Obispo, CA 93408
Email: raisop@co.slo.ca.us
Phone: 805781-5011

The invoice will include the following information:

- The amount due to Company for the non-potable water sale
- Other costs such as materials, major equipment, and expenses will be listed separately.

Payment for the non-potable water sale is due in advance, if feasible, and shall be paid within 30 days of billing and sent to the address below:

Pacific Gas & Electric Company
Roxanne Fong, Business Development
245 Market St., N10D
San Francisco, CA 94105

Transportation Charges: The Customer shall be responsible for all transportation charges. If Customer requests Company to arrange for transportation to and from the Customer's premise, transportation charges shall be billed to Customer at Company's cost plus 15%.

Materials and Supplies Charges: If Customer requests Company to provide any materials and supplies, the charge for such materials and supplies shall be billed to Customer at Company's cost plus 15%.

Vehicle and Equipment Charges: All Company vehicles and equipment used when performing services under this Contract shall be billed to Customer at Company's cost plus 15%.