

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 22, 2022

Ronald K. Moore
Senior Regulatory Analyst
Golden State Water Company
630 East Foothill Blvd.
San Dimas, CA 91773

Dear Mr. Moore,

The Water Division of the California Public Utilities Commission has approved Golden State Water Company's Advice Letter No. 1885, filed on September 1, 2022, regarding authorization to Update Contracts and Deviations Tariff.

Enclosed are copies of the following revised tariff sheets, effective May 1, 2022, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
9106-W	Contracts and Deviations
9107-W	Table of Contents, Page 5 of 6
9108-W	Table of Contents, Page 1 of 6

Please contact Jeremy Ho at JRY@cpuc.ca.gov or 415-703-1905, if you have any questions.

Thank you.

Enclosures



September 1, 2022

Advice Letter No. 1885-W

(133 W)

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Golden State Water Company (“GSWC”) hereby transmits the following tariff sheets applicable to its Arden-Cordova Customer Service Area (“CSA”):

<u>CPUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling CPUC Sheet No.</u>
Revised No. 9106-W	Contracts and Deviations	Revised No. 9068-W
Revised No. 9107-W	Table of Contents Page 5 of 6	Revised No. 9104-W
Revised No. 9108-W	Table of Contents Page 1 of 6	Revised No. 9105-W

Subject: *Contracts and Deviations Tariff Update*

PURPOSE

This advice letter is submitted in accordance with the General Rule 8.5.6 of General Order No. 96-B for the purpose of modifying GSWC’s List of Contracts and Deviations to add a well lease agreement. The request being made in this advice letter neither increases rates, charges, reduces service available to customers, nor conflicts with other schedules or rules.

BACKGROUND

On May 1, 2022, GSWC acquired the Robbins Water System from the County of Sutter, pursuant to the California Public Utilities Commission (“Commission”) Resolution No. W-5237. On the same date, the parties of interest involved, Sutter County Water Works District No. 1 (“WWD1”) and GSWC, entered into the Agreement for Lease of Water System Components (“Agreement”). This Agreement is to lease from WWD1 the Wagner Well and associated treatment and storage equipment. This Agreement will terminate when GSWC provides notice to WWD1 that the leased property is no longer needed.

Pursuant to the Agreement, GSWC will require access to the Wagner Well via the lease from WWD1 who, in turn, originally leased the property and well from Phillip E. Wagner and Anna Mae Wagner (“the Wagners”).

Conditions of the original lease agreement include the following for the existing Wagner Well:

(c) Provide the Wagners with up to 2,880,000 gallons of water per year, commencing when District's first well on the burdened property is fully operational. If the Wagners need more than 2,880,000 gallons per year, and if District is able to meet that need while meeting the needs of District inhabitants, then District shall provide the Wagners with more than 2,880,000 gallons per year, and the Wagners shall pay District's commercial-use rates for such additional water.

(d) The Wagners have the exclusive right to use water from their existing well, and they may drill additional wells on the burdened property outside of the well site and access road. The Wagners' use of water from the existing well and any additional wells they drill shall not relieve District and County of their obligations under this agreement, including District's obligation under section B(c) to provide water.

In consideration of the Wagners providing the necessary easement for the Wagner well site and access road, the Wagners will receive up to 2.880 million gallons of water per calendar year at no charge. Any water used above the 2.880 million gallons will be billed in accordance with the applicable Arden-Cordova metered schedule in effect.

GSWC intends to drill, construct, equip and operate a new well ("James Well #1") along with associated treatment system and storage to obtain groundwater supplies for its newly acquired Robbins Water System. GSWC estimates the James Well #1 will be functional in 2025 at which time the Agreement with WWD1 will be terminated and the obligation for 2.880 million gallons per year will no longer exist. Once this occurs, the Wagner property will be given the opportunity to become a regular commercial customer of GSWC, subject to the applicable Arden-Cordova metered schedule in effect.

REQUEST

GSWC is seeking to have the Agreement for Lease of Water System Components added to its List of Contracts and Deviations tariff.

CUSTOMERS BENEFIT

The primary benefit to GSWC's customers is that the groundwater supply is the only available source of supply until a new well is drilled and brought online.

A copy of the entire Agreement for Lease of Water System Components is attached to this advice letter in Attachment A. GSWC also attached a copy of the 1998 Easement Agreement between WWD1 and the Wagners for the Wagner Well.

EFFECTIVE DATE

It is desired that this filing become effective May 1, 2022, the approval date of the Robbins Water System acquisition.

TIER DESIGNATION

This advice letter is submitted with a Tier 1 designation.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter ("AL"). When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

A **response** supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A **protest** objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding;
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

The Water Division ("WD") must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

The addresses for submitting a response or protest are:

Email Address:

Water.Division@cpuc.ca.gov

Mailing Address:

CA Public Utilities Commission
Water Division
505 Van Ness Avenue
San Francisco, CA 94102

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to Golden State Water Company at:

Email Address:
regulatoryaffairs@gswater.com

Mailing Address:
Golden State Water Company
Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773

Replies

The utility shall reply to each protest and may reply to any response. Any reply must be received by WD within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

Sincerely,

/s/Ronald Moore

Ronald Moore
Regulatory Affairs Department
Golden State Water Company

c: Jim Boothe, CPUC-Water Division
Jeremy Ho, CPUC-Water Division
Richard Rauschmeier, CPUC- Public Advocates
Victor Chan, CPUC- Public Advocates

Contracts And Deviations

		Type of Class	Execution	Expiration	Commission Authorization	Schedule	Most Comparable Regular Tariff	
Name of Customer	District	Of Service	Date	Date	Number and Date	No.	Contract Difference	
Pomona College Claremont	Claremont	Exchange of Water	9/16/96	7/1/2001, with automatic 5-year renewal, except on 180-day notice		R3-1-NR	Company operates customer-owned well, pumping in excess of customer's requirements.	
Wagner Well Lease Agreement	Arden Cordova	Exchange of Water	5/1/2022	Upon Written Notice	Resolution No. W-5237	AC-1	Provides for 2.880 million gallons of water supplied free annually in exchange for operating and maintaining the Wagner water well. Water used in excess of the 2.880 million gallons to be billed at the current AC-1 water rate	(N)
Forest Lawn Mortuary and Cemetery Cypress, CA	Orange County	Recycled Water Service Contract	08/03/15	12/31/2059	D.14-08-058 Dated Aug 28, 2014	R3-1-NR	There is no Recycled Water Tariff in the Orange County district. The Water Agreements allows GSWC to purchase Recycled Water from the City of Cerritos and sell it to Forest Lawn-Cypress, CA at a deviated City of Cerritos' Recycled Water Quantity Rate, which is currently \$0.91/Ccf.	
City of Arcadia	San Gabriel Valley	Exchange of Water	3/05/52	On 90-day written notice		None	Water supplied at the current City of Arcadia water rate.	
Pacific Semi-Conductors, Inc.	Southwest	Main Extension	2/12/59	Continuous	Resolution No. W-632	None	Provides that Pacific Semi-Conductors Inc. will bear any reasonable expenses in relocating the line if Southern California Edison Company request relocation of that portion of the line crossing Southern California right-of-way.	
State of California Department of Corrections (CDC)	Calipatria- Niland	Water Sales Contract	11/1/06	20 yrs., with automatic extension	Resolution W-4672 Feb. 14, 2008	R3-1-NR	Company authorized to deviate from General metered service tariff.	
State of California Department of Veterans Affairs	Barstow	Water Sales Contract	7/12/95	7/12/34		R3-1-NR & AA-4	Company authorized to deviate from General Service and private fire service tariffs.	
City of San Dimas	San Dimas	Water Sales Contract	4/30/10	Continuous		None	Company authorized to deviate from General Irrigation service tariff.	
Glen & Rebecca Robinson	Santa Maria	Fire Protection Service	4/16/12	Continues	D. 12-04-033	AA-4	Company ordered to deviate from Fire Protection service tariff.	

(To be inserted by utility)

Advice Letter No. 1885-W
 Decision No. _____

Issued By
R. J. Sprowls
 President

(To be inserted by P.U.C.)

Date Filed September 1, 2022
 Effective May 1, 2022
 Resolution No. W-5237

Table of Contents

<u>Subject Matter of Sheet</u>	<u>Schedule Number</u>	<u>CPUC Sheet No.</u>
Rate Schedules:		
Region 3 Customer Service Areas		
Residential Metered Service	R3-1-R	9012-W, 8946-W-9046-W
Non-Residential Metered Service	R3-1-NR	9010-W, 9011-W, 8944-W, 9045-W
Irrigation Service-Forest Lawn	R3-3	9013-W, 8777-W
Region 3 Claremont Customer Service Areas		
Limited Metered Service	R3-CM-7ML	9014-W, 9047-W
Measured Irrigation Service	R3-CMH-3M	9015-W, 9048-W
Metered Irrigation Service	R3-CMP-3M	5966-W
Region 3 Desert Customer Service Area		
Haulage Flat Rate Service - Morongo	R3-DEM-2H	9016-W
Region 3 Orange County Customer Service Area		
Metered Irrigation Service	R3-OC-3M	9017-W, 9049-W
Region 3 San Gabriel Customer Service Area		
Recycled Water Service	R3-RCW	9018-W, 9050-W
Region 3 San Dimas Customer Service Area		
Measured Irrigation Service	R3-SD-3	9019-W, 9051-W
Santa Maria District		
Residential Metered Service	SM-1-R	8923-W, 9085-W, 9086-W
Non-Residential Metered Service	SM-1-NR	8921-W, 9083-W, 9084-W
Limited Metered Irrigation Service	SM-3ML	8991-W, 9042-W
Simi Valley District		
Residential Metered Service	SI-1-R	8917-W, 9043-W
Non-Residential Metered Service	SI-1-NR	8915-W, 8916-W, 9044-W
Contracts and Deviations		9106-W (C)

(Continued)

(To be inserted by utility)	<i>Issued By</i>	(To be inserted by P.U.C.)
Advice Letter No. <u>1885-W</u>	R. J. Sprowls	Date Filed <u>September 1, 2022</u>
Decision No. _____	President	Effective <u>May 1, 2022</u>
		Resolution No. <u>W-5237</u>

Table of Contents

The following tariff sheets contain all effective rates and rules affecting rates and service of the utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>CPUC Sheet No.</u>
Title Page	4905-W
Table of Contents	9108-W, 9055-W, 9072-W (C) 9081-W, 9107-W, 9103-W (C)
Preliminary Statements:	
A Territory served by Utility	8370-W
B-E Types and Classes of Service, Description of Service, Procedure to Obtain Service and Symbols	7005-W
F Income Tax Component of Contribution Provision	
Page 1	3140-W
Page 2	3141-W
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G Contaminant Remediation Memorandum Account	8994-W
M Santa Maria Water Rights Memorandum Account	5096-W
Q Customer Assistance Program (CAP) Balancing Account	8888-W
W Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA)	
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Page 2	6478-W
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GG Water Cost of Capital Adjustment Mechanism	5607-W
MM Omega Chemical Corporation Superfund Site Memorandum Account	5848-W
OO Pension And Benefits Balancing Account	5937-W
TT Los Osos Groundwater Adjudication Memorandum Account	6101-W
UU Santa Maria Steelhead Recovery Plan Memorandum Account	6103-W
VV Randall-Bold Balancing Account	6123-W
ZZ Low-Income Customer Data Sharing Memorandum Account	6225-W
EEE Credit Card Payment Program Memorandum Account	6559-W
GGG Tangible Property Regulations Collateral Consequences Memorandum Account	6652-W
HHH Catastrophic Event Memorandum Account	8484-W
JJJ American Recovery And Reinvestment Act Balancing Account	6938-W
KKK 2016 Interim Rates Memorandum Account	7368-W
MMM Los Osos Basin Management Committee Memorandum Account	
Page 1	7441-W
Page 2	7442-W
NNN Basin Pumping Rights Litigation Memorandum Account	7451-W
OOO School Lead Testing Memorandum Account	7481-W

(To be inserted by utility)
 Advice Letter No. 1885-W
 Decision No. _____

Issued By
R. J. Sprowls
President

(To be inserted by P.U.C.)
 Date Filed September 1, 2022
 Effective May 1, 2022
 Resolution No. W-5237

Attachment A

AGREEMENT FOR LEASE OF WATER SYSTEM COMPONENTS

This Agreement for Lease of Water System Components ("**Lease Agreement**") dated as of May 1, 2022 ("**Effective Date**"), is entered into by and between Sutter County Water Works District No. 1, a dependent district of the County of Sutter ("**WWD1**" or "**Lessor**") and Golden State Water Company, a California corporation ("**GSWC**" or "**Lessee**"). WWD1 and GSWC are each a "**Party**" and together the "**Parties**".

RECITALS

- (A) WWD1 and GSWC entered into a Water System Purchase and Sale Agreement on March 14, 2011 as amended on March 8, 2016, August 25, 2020 and March 8, 2022 (as amended, the "**PSA**"), pursuant to which WWD1 will sell to GSWC, and GSWC will purchase from WWD1, that certain potable water distribution system located in the unincorporated community of Robbins in Sutter County, California ("**Robbins Water System**").
- (B) Philip E. Wagner and Anna Mae Wagner granted WWD1 a perpetual easement to construct, operate and maintain one or more water wells on their property (the "**Wagner Property**", more particularly described as Parcel 1 as shown on that Parcel Map No. 99 recorded with the Sutter County Recorder in Book 1 of Parcel Maps at Page 99 on April 18, 1973), in order for WWD1 to obtain a source of groundwater for the Robbins Water System, pursuant to that certain Agreement for Well Site Easement ("**Easement Agreement**") dated April 2, 1998, attached as Exhibit F-1.
- (C) After closing of the purchase of the Robbins Water System from WWD1, GSWC intends to drill, construct, equip and operate a new well to obtain groundwater supplies for the Robbins Water System, thereby making the existing well on the Wagner Property unnecessary for operation of the Robbins Water System. Prior to commencement of operations of the new well, GSWC will require access to the Leased Property located on the Wagner Property. Following commencement of operations of the new well, GSWC intends to return the Leased Property to the exclusive possession and control of WWD1, since the Leased Property will have no further usefulness for the Robbins Water System.

AGREEMENT

NOW, THEREFORE, to fulfill the obligations and the mutual covenants contained in the PSA and this Lease Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Lease.** WWD1 hereby leases to GSWC, and GSWC leases from WWD1, certain water supply and distribution system components that were excluded from the transfer of the Robbins Water System from WWD1 to GSWC pursuant to the PSA, and which are located on the Wagner Property pursuant to the Easement Agreement, to wit: that groundwater well known as the "Wagner Well"; groundwater treatment equipment consisting of a chlorinator, a filter tank for the removal of iron and manganese, and a backwash tank; a 42,000-gallon treated water storage tank; three booster pumps; associated pipes, fittings, facilities, equipment and chemicals; fencing; and an underground pipeline running from the groundwater well to a water main located along Del Monte Avenue (collectively, the "**Leased Property**").
2. **Term.** The Parties agree that the term of this Lease Agreement shall begin upon the closing set forth in Section 3.1 of the PSA, and will terminate upon GSWC providing notice to WWD1 that the Leased Property is no longer used and useful for purposes of the Robbins Water System (the "**Notice**"), unless the Parties otherwise stipulate. Provision of the Notice by GSWC pursuant to this Section 2 shall be at GSWC's sole discretion. Upon termination of this Lease Agreement by the Notice, all possession and control of the Leased Property shall return to WWD1, and GSWC shall cease to have any right, entitlement, obligation, responsibility or liability to or for any of

the Leased Property. If the Leased Property is thereafter to be removed from the Wagner Property, any such removal, and all expenses related thereto, shall be the exclusive right, entitlement, obligation, responsibility and liability of WWD1. If the Leased Property is to be disconnected from the Robbins Water System prior to, at or following the Notice, GSWC shall be responsible for all actions required for such disconnection, and all expenses related thereto.

3. **Use of Leased Property.** GSWC shall use the Leased Property for purposes of obtaining a water supply for the Robbins Water System and for no other purpose. GSWC shall maintain the Leased Property in good working and safe condition; provided, that the Parties acknowledge that as of the Effective Date the Leased Property has certain deficiencies, and GSWC shall not have any obligation (but shall have the right) to correct such deficiencies or make any improvements or repairs to the Leased Property. GSWC shall be responsible for all expenses incurred in its use of the Leased Property, and if GSWC, in its discretion, elects to make any capital improvements to the Lease Property, GSWC shall be responsible for all costs related thereto.
4. **Use of Easement Agreement.** WWD1 agrees that GSWC shall have the right to use that portion of the Wagner Property covered by the Easement Agreement for ingress, egress, access, operations and maintenance of the Leased Property. GSWC shall comply with the terms and conditions of the Easement Agreement for its use of the Wagner Property.
5. **Rental Payment.** The rent for use of the Leased Property for the entire term of this Lease Agreement shall be included in the Real Property Purchase Price set forth in the PSA, and no additional payment shall be due from GSWC to WWD1 hereunder.
6. **Compliance With All Laws.** GSWC shall use the Leased Property in a professional manner and shall comply with all applicable laws, ordinances and regulations related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date and year first written above.

[Signature pages to follow]

Signed by)
)
)
MIKE ZIEGENMEYER)
CHAIR, BOARD OF DIRECTORS)
for and on behalf of)
SUTTER COUNTY WATER WORKS DISTRICT NO. 1)


.....

ATTEST)
)
)
DONNA M. JOHNSTON)
CLERK OF THE BOARD)
SUTTER COUNTY WATER WORKS DISTRICT NO. 1)

By: 
.....
Asst. Clerk of the Board
Sutter County WWO1

Signed by

PAUL ROWLEY
VICE PRESIDENT - WATER OPERATIONS
for and on behalf of
GOLDEN STATE WATER COMPANY

)
)
)
)
)
)
)
**Paul
Rowley**

Digitally signed
by Paul Rowley
Date:
2022.04.29
09:36:40 -07'00'

Signed by

EVA TANG
SENIOR VICE PRESIDENT - FINANCE, CHIEF
FINANCIAL OFFICER and SECRETARY
for and on behalf of
GOLDEN STATE WATER COMPANY

)
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)
)
)
)
)
**Eva G.
Tang**

Digitally signed by Eva G.
Tang
DN: cn=Eva G. Tang,
o=Golden State Water
Company, ou=SVP-
Finance, Chief Financial
Officer and Secretary,
email=egtang@gswater.co
m, c=US
Date: 2022.04.29 09:55:59
-07'00'

EXHIBIT F-1

COPY OF EASEMENT AGREEMENT

Indexed
Compared

Recorded at the request of:

SUTTER COUNTY WATERWORKS DISTRICT NO. 1

Recorded in Official Records, County of Sutter, Lonna B. Smith, Clerk/Recorder

Return to:



No Fee

199804657 11:52am 04/ 38

Sutter County Public Works Director
1160 Civic Center Blvd., Ste. D
Yuba City, CA 95993

005 30016205 10 06
X09 11 6.00 30.00 0.00 0.00 0.00 0.00

Document transfer tax: None

AGREEMENT FOR WELL SITE EASEMENT

This agreement is between Philip E. Wagner and Anna Mae Wagner, husband and wife (Wagners); Sutter County Waterworks District No. 1, a public agency formed under division 16 of the California Water Code (District); and the County of Sutter, a political subdivision of the State of California (County).

RECITALS

1. District is authorized to supply its inhabitants with water for irrigation, domestic, industrial, and fire-protection purposes, and may acquire and hold property to that end.
2. The Wagners own the real property identified in exhibit A (the burdened property), which is attached to this agreement and made part of it.
3. District wishes to construct and operate one or more water wells on the burdened property. The wells would be used to supply water to District inhabitants.
4. The Wagners wish to grant District the necessary easement for a well site and access road if, in return, District will supply them with water, free of charge.

TERMS AND CONDITIONS

5. Grant of Easement. The Wagners grant to District an easement on those areas of the burdened property identified as "well site" and "access road" on exhibit A, subject to the terms and conditions set forth below.

Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

6. Description of Easement. The easement is an easement in gross and consists of the right to use--

(a) the well site for constructing, operating, maintaining, and repairing one or more water wells (including all necessary pumps, pipes, fences, and other ancillary facilities and equipment) with which District can supply the water needs of its inhabitants while this agreement is in force; and

(b) the access road for ingress to and egress from the well site as well as for installing, maintaining, and repairing any pipes and utility connections (no overhead powerlines) needed to construct, operate, maintain, and repair the well or wells and supply water to District inhabitants and the Wagners.

The easement granted in the well site is exclusive. The Wagners shall not use the well site themselves, nor shall they grant or assign to others any easement or other right in the well site. The easement in the access road is nonexclusive. The Wagners may use the access road in any way that does not interfere unreasonably with District's use.

7. Term of Easement. The easement shall be perpetual, subject to the following:

(a) The Wagners may terminate this agreement and the easement granted under it if District fails to maintain insurance as required by section 12 or if--

(1) District uses the property for purposes other than those specified in section 6 or fails, through its own fault, to comply with sections 8 and 9;

(2) such use or failure continues after the Wagners serve District with written notice demanding compliance; and

(3) District has had a reasonable opportunity to comply.

(b) District may release the easement and terminate this agreement at any time by executing, delivering, and recording a quitclaim deed.

(c) Once the Wagners exercise their power of termination, or District releases the easement--

(1) this agreement shall terminate (except District's obligations under this section and section 9, and District's and County's obligations under section 11);

(2) all rights to the burdened property shall revert to the Wagners; and

(3) District shall abandon its well or wells, remove its facilities and equipment (except well casing) from the burdened property, and, to the extent feasible, restore the well site and access road to pre-easement condition, all at its sole expense, unless District and the Wagners agree otherwise in writing.

8. Conditions on Use. District shall do the following at its sole expense:

(a) Enclose the well site with a fence.

(b) Install any pipes and equipment, including a water meter, needed to connect the existing water system on the burdened property to District's water system. The connection shall be at the existing water well on the burdened property. The existing well shall be left operational, and District's connections shall include all pipes and equipment needed so the Wagners can use the existing well alone or in combination with District's well or wells.

(c) Provide the Wagners with up to 2,880,000 gallons of water per year, commencing when District's first well on the burdened property is fully operational. If the Wagners need more than 2,880,000 gallons per year, and if District is able to meet that need while meeting the needs of District inhabitants, then District shall provide the Wagners with more than 2,880,000 gallons per year, and the Wagners shall pay District's commercial-use rates for such additional water.

(d) The Wagners have the exclusive right to use water from their existing well, and they may drill additional wells on the burdened property outside of the well site and access

road. The Wagners' use of water from the existing well and any additional wells they drill shall not relieve District and County of their obligations under this agreement, including District's obligation under section 8(c) to provide water.

9. Compliance with Law. District shall comply with all federal, state, and local laws, regulations, and orders that apply to its actions under this agreement.

10. Disclaimer. The Wagners make no warranties, guarantees, or assurances about the amount of water available or its quality. District acknowledges that the whole of the burdened property, including the well site and access road, has been designated as a suspected hazardous substance site by the Department of Toxic Substances Control of the California Environmental Protection Agency, as evidenced by exhibit B, which is attached to this agreement and made part of it.

11. Indemnification. District and County shall indemnify, defend (upon written request), protect, and hold the Wagners harmless against any liabilities, claims, demands, damages, and costs (including attorneys' fees and litigation costs) that arise from District's tortious acts or omissions when using the burdened property, except to the extent caused by the Wagners' tortious acts or omissions. District's and County's obligations under this section include--

(a) administrative actions brought by any federal, state, or local agency;

(b) third-party claims by users of the water District produces from the burdened property;

(c) "mixed claims" where both the District and the Wagners are jointly involved;

(d) any District conduct for which District is strictly liable; and

(e) any District conduct for which the Wagners may be derivatively liable as grantors of the easements or owners of the burdened property.

12. Insurance. While this agreement is in force, District shall maintain, at its sole cost, general liability insurance covering District's activities on the burdened property. The policy (or policies) shall name the Wagners as additional insureds and shall require the insurer (or insurers) to give the Wagners at least ten days advance written notice of cancellation.

13. Effective Date. This agreement shall be effective on the date when fully subscribed by the parties.

14. Recordation. This agreement shall be recorded in the official records of Sutter County.

15. Interpretation and Litigation. This agreement shall be interpreted in accordance with California law as if jointly prepared by the parties; any ambiguity or uncertainty shall not be interpreted against one party. Any litigation concerning this agreement shall be brought in the Consolidated Municipal and Superior Court of Sutter County.

16. Notices. Any correspondence regarding this agreement shall be directed to the following persons at the following addresses and phone numbers:

District and County: Sutter County Public Works Director
1160 Civic Center Boulevard, Suite D
Yuba City, CA 95993
FAX: (530) 822-7457
Phone: (530) 822-7450

Wagners: Philip Wagner
P. O. Box 98
Robbins, CA 95676
FAX: (530) 738-4452
Phone: (530) 738-4431

If written, correspondence shall be by personal delivery, including overnight delivery service; by U. S. Mail, postage prepaid; or by facsimile transmission during business hours. Notices must be actually received to be effective. The foregoing names, addresses, and phone numbers may be changed by written notice.

17. Assignment. Neither District nor County may assign this agreement without the Wagners' prior written consent.

18. Binding Effect. This agreement shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors-in-interest, and assigns of the parties.

19. Attorneys' Fees. The prevailing party in any litigation that concerns this agreement is entitled to reasonable attorneys' fees and costs.

20. Entire Agreement. This agreement sets forth the entire understanding of the parties regarding the matters set forth in sections 1 through 19. It supersedes all prior agreements and representations, written and oral, and may be modified only by a written agreement signed by the parties.

SUTTER COUNTY WATERWORKS DISTRICT NO. 1

By [Signature]
CHAIRMAN, BOARD OF DIRECTORS
DATE: 4-1-98

ATTEST: COUNTY OF SUTTER

LONNA B. SMITH

BY [Signature] Deputy
BY [Signature]
CHAIRMAN, BOARD OF SUPERVISORS
DATE: 4-1-98



Philip E. Wagner
Philip E. WAGNER
DATE: 3/23/98

Anna Mae Wagner
ANNA MAE WAGNER
DATE: 3/23/98

APPROVED FOR LEGAL FORM
SUTTER COUNTY COUNSEL

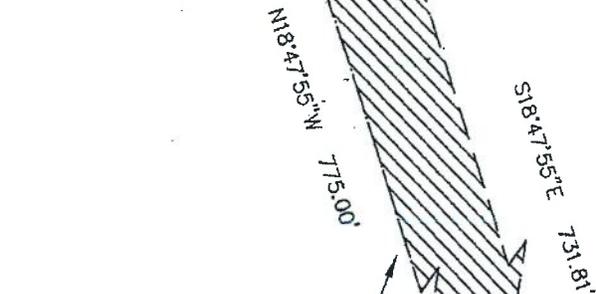
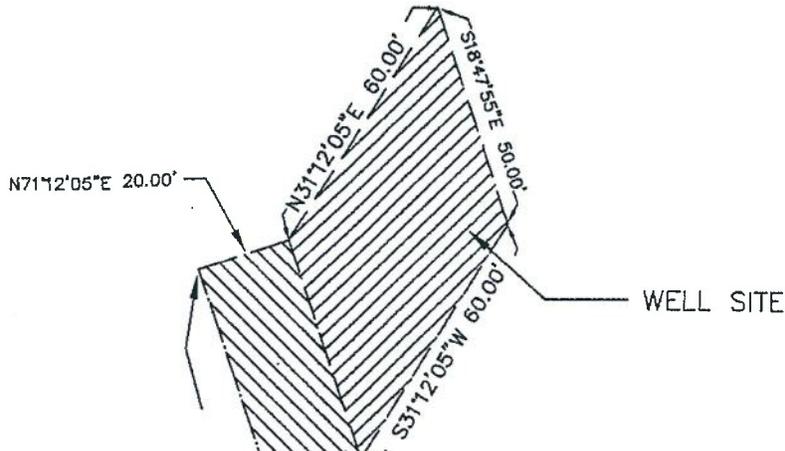
By [Signature]

Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

EXHIBIT "A"



SCALE 1"=40'



WESTERLY LINE OF
PARCEL 1 OF
PARCEL MAP #99
SUTTER COUNTY RECORDS

CENTERLINE HWY 113

CENTERLINE
DEL MONTE AVE.

N16°09'00"E

N90°00'00"W 92 ft.

Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of SUTTER

On MARCH 23, 1998 before me, SATWANT SINGH TAKHAR, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PHILIP E. WAGNER AND ANNA M. WAGNER
Name(s) of Signer(s)

personally known to me -- OR -- 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.



WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: AGREEMENT FOR WELL SITE EASEMENT

Document Date: 3/23/98 Number of Pages: 9

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: PHILIP E. AND ANNA M. WAGNER

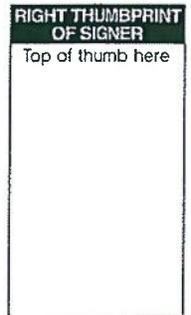
- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of SUTTER

On APRIL 1, 1998 before me, SATWANT SINGH TAKHAR, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jané Doe, Notary Public")

personally appeared LARRY MUNGER
Name(s) of Signer(s)

personally known to me – OR – 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/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: AGREEMENT FOR WELL SITE AGREEMENT

Document Date: 3/23/98 Number of Pages: 9

Signer(s) Other Than Named Above: ANNA & PHILIP WAGNER

Capacity(ies) Claimed by Signer(s)

Signer's Name: LARRY MUNGER

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing:

SUTTER COUNTY

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

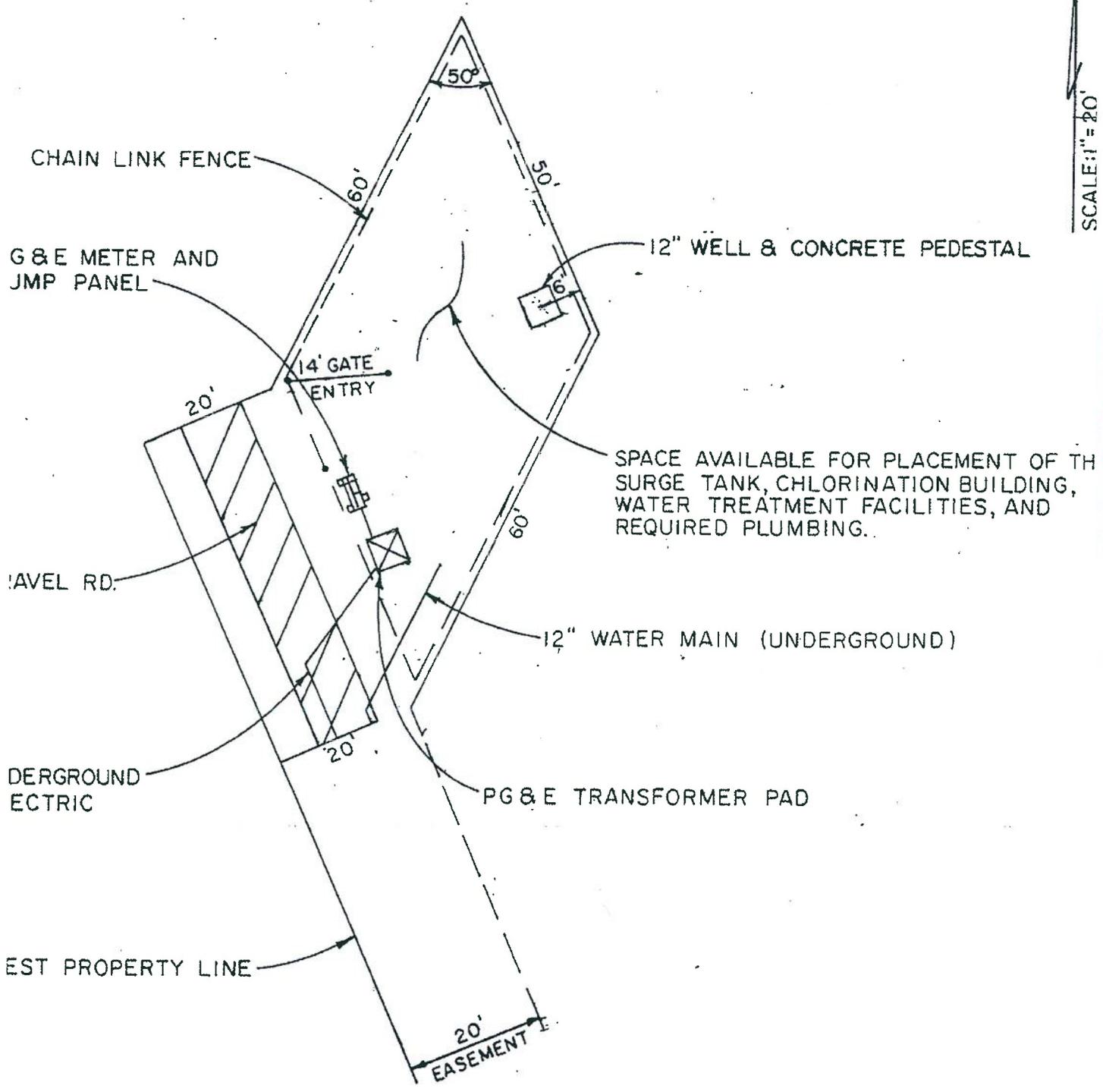
RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing:

Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

COMMUNITY OF ROBBINS WELL AT WAGNER AVIATION PROPERTY



Communication: See separate Agenda (WATER WORKS DISTRICT NO. 1)

WELL SITE LAYOUT

GOLDEN STATE WATER COMPANY

SERVICE LIST

ARDEN-CORDOVA DISTRICT

Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
HHernandez@sswd.org
DYork@sswd.org

California-American Water Co.
520 Capitol Mall, Suite 630
Sacramento, CA 95814
ca.rates@amwater.com

Fair Oaks Water District
10317 Fair Oaks Blvd.
Fair Oaks, CA 95628

City of Folsom
50 Natoma Street
Folsom, CA 95630
myasutake@folsom.ca.us

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Sacramento, CA 95812-0839

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DWRExecsecretary@saccounty.net

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Carmichael, CA 95608
laura@carmichael.org

Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610

Orange Vale Water Co.
P. O. Box 620800
9031 Central Avenue
Orange Vale, CA 95662

City of Rancho Cordova
2729 Prospect Drive
Rancho Cordova, CA 95670

Steve Pedretti, Division Chief
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OFFICE OF ASSEMBLYMAN JIM NIELSEN
STATE CAPITOL, ROOM 6031
SACRAMENTO, CA 95814

SACRAMENTO COUNTY
DEPARTMENT OF WATER RESOURCES
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SACRAMENTO, CA 95814

DIRECTOR
SACRAMENTO COUNTY WATER AGENCY
827 7TH STREET, ROOM 301
SACRAMENTO, CA 95814

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