

**NACIMIENTO WATER PROJECT  
WHEELING CONTRACT**

This Nacimiento Water Project Wheeling Contract (this “**Contract**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 by and between the San Luis Obispo County Flood Control and Water Conservation District, a Flood Control and Water Conservation District duly established and existing under the San Luis Obispo County Flood Control and Water Conservation District Act, Act 7205 of the Uncodified Acts of the California Water Code (the “**FCWCD**”) and the Heritage Ranch Community Services District, a Community Services District duly established and existing under the Community Services District Law, California Government Code Section 61000 et seq. (the “**CSD**”).

**WITNESSETH**

**WHEREAS**, the **FCWCD** and the Monterey County Flood Control and Water Conservation District, now the Monterey County Water Resources Agency (the “**WRA**”), entered into an agreement on or about October 19, 1959, which agreement has been amended from time to time (the “**WRA Contract**”), whereby the **WRA** is obligated to provide 17,500 acre feet of Nacimiento Reservoir water to the **FCWCD** per year (the “**FCWCD Entitlement**”); and

**WHEREAS**, 1,750 acre feet of the **FCWCD Entitlement** has been reserved annually for use within the vicinity of the Nacimiento Reservoir (the “**Prior Commitment Water**”); and

**WHEREAS**, the **FCWCD** and the **CSD** or the **CSD**’s predecessors in interest entered into agreements on or about March 20, 1972, November 19, 1992 and \_\_\_\_\_, 2015 (collectively, the “**Water Supply Contracts**”) whereby the **FCWCD** shall furnish 889 acre feet of the **Prior Commitment Water** to the **CSD** per year (the “**CSD Entitlement**”); and

**WHEREAS**, consistent with the **Water Supply Contracts**, the **CSD** currently receives the **CSD Entitlement** through diversion wells that it constructed approximately one (1) mile downstream of the Nacimiento Dam (the “**CSD Wells**”); and

**WHEREAS**, if downstream releases from the Nacimiento Dam are discontinued, the **CSD** will likely be prevented from receiving its entitlement through the **CSD Wells**; and

**WHEREAS**, if the **CSD** is unable to obtain its entitlement through the **CSD Wells**, a water supply emergency will result; and

WHEREAS, the FCWCD and a number of public agencies (collectively, the “**Initial Participants**”) entered into agreements (collectively, the “**Existing Water Delivery Entitlement Contracts**” or “**Existing WDECs**”) whereby the FCWCD shall furnish a portion of the FCWCD Entitlement excluding the **Prior Commitment Water** (the “**Nacimiento Project Water**”) to the **Initial Participants** through a conveyance system financed by the **Initial Participants** (the “**Nacimiento Project Facilities**”); and

WHEREAS, the FCWCD may enter into Like-Contracts with Other Participants (or amended WDECs with the **Initial Participants**) in the future for the delivery of (additional) **Nacimiento Project Water** (the “**Future Water Delivery Entitlement Contract(s)**” or “**Future WDEC(s)**”) (the Existing WDECs and any Future WDEC(s) are referred to collectively as the “**WDECs**”); and

WHEREAS, Article 30(B) of the **Existing WDECs** authorizes the FCWCD to permit a third party person or entity to temporarily utilize the Reserved Capacity of the **Nacimiento Project Facilities** for the conveyance of water other than **Nacimiento Project Water**, including the **CSD Entitlement**, under certain terms and conditions; and

WHEREAS, the CSD seeks the right to utilize the Reserved Capacity of a portion of the **Nacimiento Project Facilities** to receive the **CSD Entitlement** during periods in which downstream releases from the Nacimiento Dam are discontinued because the water level drops below the present low level outlet works or for any other reason; and

WHEREAS, the FCWCD desires to permit the CSD to utilize the Reserved Capacity of a portion of the **Nacimiento Project Facilities** to receive its entitlement during any such established period(s) occurring within the term of this **Contract** without securing additional approval by the Board of Supervisors of the FCWCD subject to the terms, conditions and procedures set forth herein.

**NOW, THEREFORE**, it is hereby mutually agreed by FCWCD and CSD as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in Article 1 of the **WDECs**.

2. Effective Date. This **Contract** shall become effective on the date first above written (the “**Effective Date**”).

3. Term. The initial term of this **Contract** shall be one (1) year from the **Effective Date**. Upon expiration of the initial term or any renewal thereof, this **Contract** may be renewed upon the mutual written agreement of the parties for additional one (1) year terms.

Notwithstanding the foregoing, this **Contract** shall automatically terminate on the earliest occurrence of any of the following:

(a) Termination of the **WRA Contract**, the **WDECs**, the **Water Supply Contracts** or any other agreements necessary for the **CSD** to maintain its rights to the **CSD Entitlement**.

(b) At such time as the **WRA Contract** or the **WDECs** is amended so as to prevent the performance of this **Contract** by the **FCWCD**.

4. Relationship to other Nacimiento Reservoir Water Contracts. The **CSD** acknowledges and agrees that this **Contract** is subject to the obligations and limitations imposed on **FCWCD** by the **WRA Contract**, the **Water Supply Contracts** and the **WDECs** and all existing and future amendments thereto (collectively, the “**Nacimiento Reservoir Contracts**”). The **CSD** further agrees the **FCWCD**’s rights to enter into amendments to the **Nacimiento Reservoir Contracts** or into **Future WDECs** are not restricted or impaired in any way by this **Contract**.

5. Service Contract Only. The **FCWCD** and the **CSD** agree that this is a contract for service only and that it does not grant to the **CSD** any property right or other right or interest in the Nacimiento Reservoir water, the **Nacimiento Project Facilities** or the **Nacimiento Reservoir Contracts**.

6. Conveyance of the CSD Entitlement; Amount.

(a) Throughout the term of this **Contract**, during an established **Emergency Condition**, as defined in subsection (b) of this Paragraph 6, the **FCWCD** shall make available to the **CSD** the **Reserved Capacity** of the segment of the **Nacimiento Project Facilities** described in Exhibit “A” attached hereto and incorporated herein by this reference for the conveyance of the unexpended **CSD Entitlement** or a portion thereof subject to all of the following:

(i) A turnout has been constructed from which the **CSD** can receive its entitlement in accordance with the terms and conditions set forth in Paragraph 8 below (the “**Turnout**”);

(ii) The **CSD** has installed a meter on the **Turnout** in accordance with Paragraph 9 below.

(iii) The **CSD** has constructed a pipeline from the **Turnout** to the **CSD** water treatment plant after completing all necessary review under the California Environmental Quality Act and securing all necessary easements, rights of way and permits.

(iv) Upon the occurrence of an **Emergency Condition** and each month thereafter that the **Emergency Condition** continues to occur, the **CSD** provides the San Luis Obispo County Director of Public Works (the “**Director of Public Works**”) with written proof of said condition or continuing condition.

(v) Upon the occurrence of an **Emergency Condition**, the **CSD** provides the **Director of Public Works** with written evidence of the amount of the **CSD Entitlement** that has already been expended and the amount that remains available to the **CSD** for conveyance during the applicable water year as defined in the **Water Supply Contracts**.

(vi) The **Director of Public Works** and **CSD** agree upon a conveyance schedule that the **Director of Public Works** determines can be accommodated by the existing Reserved Capacity and that does not in any way interfere with the delivery of the Total Delivery Entitlement Obligation to the Participants.

(vii) The **Director of Public Works** reasonably determines that the documentation submitted by the **CSD** in accordance with Paragraphs 6(a)(iv) and 6(a)(v) is satisfactory and provides written authorization to the **CSD** to access the remainder of its entitlement in accordance with the agreed upon conveyance schedule subject to the terms and conditions set forth herein but not for a period exceeding thirty (30) days.

(viii) The **CSD** is not in breach of this **Contract** or the **Water Supply Contracts**.

(ix) The limitations otherwise set forth in this **Contract**, including but not limited to, the limitations set forth in Paragraphs 10 and 11 of this **Contract**.

(b) For purposes of this **Contract**, an “**Emergency Condition**” shall mean a condition under which the **CSD** cannot receive its entitlement downstream of the Nacimiento Dam.

7. Location and Rate of Conveyance of the CSD Entitlement. The **CSD Entitlement** conveyed through the **Nacimiento Project Facilities** during an **Emergency Condition** established in accordance with Paragraph 6 shall be made available for delivery to the **CSD** at the location and rate hereinafter specified:

(a) Location: The air release/air vacuum valve located at approximate Station 40+92.94 as depicted on the Nacimiento Water Project Record Drawings and the Turnout Design Documents attached hereto as **Exhibit “B”** and incorporated herein;

(b) **Maximum Instantaneous Flow Rate for the CSD Entitlement:** In no event shall the **FCWCD** be obligated to deliver the **CSD Entitlement** at a total combined instantaneous flow rate exceeding 0.68 cubic feet per second or three-hundred five (305) gallons per minute. While the **FCWCD** is not obligated to deliver the **CSD Entitlement** at a total combined instantaneous flow rate exceeding 0.68 cubic feet per second or three-hundred five (305) gallons per minute, the **FCWCD** shall have the discretion to temporarily exceed the maximum instantaneous flow rate provided for herein.

(c) **Pressure at the Point of Delivery:** The **FCWCD** is under no obligation to the **CSD** to deliver the **CSD Entitlement** at any particular head or pressure.

The **FCWCD** shall attempt to convey and deliver the **CSD Entitlement** to the **CSD** within the conveyance schedule approved by both parties upon the occurrence of an **Emergency Condition** in accordance with Paragraph 6(a)(vi). The **CSD** recognizes the **FCWCD** must accommodate the Participants first but the **FCWCD** will make reasonable efforts to convey the **CSD Entitlement** pursuant to the approved schedule.

8. Construction of the Turnout.

(a) **Contractor.** Upon receipt of the payment described in subsection (b) below, the **FCWCD** shall obtain the services of a contractor with the requisite expertise to construct the **Turnout** in accordance with the Nacimiento Water Project Record Drawings and the Turnout Design Documents through a competitive bidding process. The **FCWCD** will manage all aspects of the construction of the **Turnout**.

(b) **Payment.** Currently, **FCWCD** does not have funds allocated in its budget to finance the management and construction of the **Turnout** (the “**Construction Project**”). It is estimated that the total **Construction Project** cost will be thirty four thousand four hundred fifty dollars (\$34,450). The **CSD** agrees to advance the **Construction Project** costs to **FCWCD** in order for **FCWCD** to be able to commence work on the **Turnout**. The **CSD**, therefore, agrees that within thirty (30) days of the **Effective Date**, the **CSD** shall deposit the sum of thirty four thousand four hundred fifty dollars (\$34,450) in favor of **FCWCD** in an interest-bearing account or trust fund in the State of California or national bank in California consistent with the **FCWCD**’s practices and policies.

**FCWCD** will prepare and submit monthly progress bills to the **CSD** for costs incurred for completed work. Payment of progress invoices not to exceed the deposit may be made under the terms of this **Contract** from the funds advanced by the **CSD** to **FCWCD**. In the event that the funds advanced are insufficient to complete the work, **FCWCD** shall submit an invoice to the **CSD** for additional monies. The **CSD** shall, within thirty (30) days, deposit the requested

supplemental advance in the above-referenced interest bearing account or trust fund. If the **CSD** fails to deposit the supplemental advance within the time prescribed, the **FCWCD** has the right to stop work and terminate this **Contract** upon written notice in addition to any other remedy the **FCWCD** may have under this **Contract** or by operation of law.

When all work related to the **Turnout** is completed, **FCWCD** shall send the **CSD** a final invoice for reconciliation of the total sum advanced by the **CSD**. In the event that the actual and necessary cost of the work as established herein is less than the sum of money, including interest, advanced by the **CSD**, **FCWCD** agrees to refund to the **CSD** the difference between the actual and necessary cost and the sum of money that was advanced. In the event that the actual and necessary cost of the work as established herein exceeds the amount of the money advanced to **FCWCD**, including interest, in accordance with the provisions of this **Contract**, the **CSD** will reimburse the **FCWCD** the excess costs incurred by **FCWCD** within thirty (30) days of an itemized bill from **FCWCD**. If the **CSD** fails to reimburse the **FCWCD** within the time prescribed, the **FCWCD** has the right to terminate this **Contract** upon written notice in addition to any other remedy the **FCWCD** may have under this **Contract** or by operation of law.

The final billing shall be in the form of an itemized statement of the total construction costs, less the credits provided for in this **Contract**, and less any amount covered by progress billings and payments. However, the **CSD** shall not pay the final invoices which exceed the estimated cost of the construction without documentation of the reason for the increase of said cost from **FCWCD** and approval of documentation by **CSD**, which shall not be unreasonably withheld.

(c) All facilities constructed and all devices and equipment installed within the **FCWCD's** right of way under this **Contract** shall become the property of **FCWCD**. All facilities constructed and all devices and equipment installed outside of the **FCWCD's** right of way for the conveyance of the **CSD Entitlement** pursuant to this **Contract** shall be the property of the **CSD**.

9. Measuring Devices. **CSD** shall procure, install and maintain at the **Turnout** such measuring devices and equipment that will enable **FCWCD** to measure and monitor the conveyance and delivery of the **CSD Entitlement** through the **Nacimiento Project Facilities** during an **Emergency Condition**. All such measuring devices and equipment shall be approved in writing by the **Director of Public Works** prior to installation. Any measuring devices and equipment procured, installed and maintained by the **CSD** in accordance with this **Contract** shall be examined, tested and serviced regularly by the **CSD** to insure their accuracy. At any time or times, the **FCWCD** may inspect such measuring devices procured, installed and maintained by the **CSD**. The cost of said inspections will be paid by the **CSD**. Charges for periodic inspection will be billed at the actual cost of performing said inspections.

10. Limitations on Obligation of FCWCD to Convey the CSD Entitlement. Any obligation of the **FCWCD** to convey the **CSD Entitlement** utilizing the **Nacimientto Project Facilities** during an **Emergency Condition** is contingent upon the continuing existence of sufficient **Reserved Capacity** in said facilities during the **Emergency Condition** and upon the availability of an amount of Nacimientto Reservoir water equal to the **CSD Entitlement** and all other contractual entitlements to the **FCWCD Entitlement** consistent with the **WRA Contract** and the **Water Supply Contracts**. Under no circumstances shall **FCWCD** be obligated to deliver and under no circumstances shall the **CSD** convey through the **Nacimientto Project Facilities** an amount of water that exceeds the available balance of the **CSD Entitlement** during the applicable water year as defined in the **Water Supply Contracts**.

11. Curtailment of Conveyance for Maintenance Purposes. The **FCWCD** may temporarily discontinue or reduce the amount of water conveyed to the **CSD** through the **Nacimientto Project Facilities** during such time as the **FCWCD** or the **WRA** is maintaining, repairing, replacing, investigating or inspecting any of said facilities. Insofar as it is feasible, the **FCWCD** shall give the **CSD** notice in advance of any such temporary discontinuance or reduction. In the event of an emergency, no notice need be given.

12. Responsibility for Delivery and Distribution of the CSD Entitlement.

(a) Neither the **FCWCD** nor its officers, agents or employees shall be liable for the control, carriage, handling, use, disposal or distribution of the **CSD Entitlement** after such water has passed out of the **Nacimientto Project Facilities**, nor for claims of damages of any nature whatsoever, including, but not limited to, property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond the **Turnout**.

(b) Without limiting Paragraph 23 below, the **CSD** shall defend, indemnify and hold harmless the **FCWCD** and its officers, agents and employees from and against any such damages or claims of damages, including attorney fees.

13. Responsibility for Water Quality.

(a) The **CSD** acknowledges and agrees that the **CSD Entitlement** will be furnished to the **CSD** untreated and that the **FCWCD** makes no guarantee express or implied as to the quality of the water delivered pursuant to this **Contract**. Consequently, neither the **FCWCD** nor its officers, agents or employees shall be liable for the quality of the **CSD Entitlement** conveyed to the **CSD** through the **Nacimientto Project Facilities** nor for claims of damages of any nature whatsoever, including but not limited to, property damage, personal

injury or death, arising out of or connected with the quality of the Nacimiento Reservoir water conveyed through the **Nacimiento Project Facilities** pursuant to this **Contract**.

(b) Without limiting Paragraph 23 below, the **CSD** shall defend, indemnify and hold harmless the **FCWCD** and its officers, agents and employees from and against any such damages or claims of damages, including attorney fees.

14. Charges for Conveyance of the CSD Entitlement through the Nacimiento Project Facilities.

(a) **Obligation to Pay.** The **CSD** shall compensate **FCWCD** for all reasonable costs incurred by **FCWCD** in conveying the **CSD Entitlement** pursuant to this **Contract**, including, without limitation, the following:

(i) **Variable Energy Costs.** The **CSD** shall pay its pro rata share of the **Variable Energy Costs** incurred by **FCWCD** in connection with its operation of the **Nacimiento Project Facilities** during the preceding Calendar Quarter. The **CSD's** pro rata share will be determined as follows:

(A) The total Variable Energy Costs incurred by **FCWCD** for the Calendar Quarter in question will be divided by the total acre-feet of water delivered by **FCWCD** through the **Nacimiento Project Facilities** to all Participants, Other Participants, Reserve Water Customers and Wheeling Customers during such Calendar Quarter.

(B) The total acre-feet of water delivered to the **CSD** through the **Nacimiento Project Facilities** during the Calendar Quarter in question will be multiplied by the result from subsection (A).

(ii) **Operation and Maintenance Costs.** The **CSD** shall pay its pro rata share of the Operation and Maintenance Costs attributable to Unit A of the **Nacimiento Project Facilities** incurred by **FCWCD** during the preceding Fiscal Year. The **CSD's** pro rata share will be determined as follows:

(A) The total actual net Operation and Maintenance Costs billed to Unit A for the Fiscal Year in question will be divided by the total acre-feet of water delivered by **FCWCD** through Unit A during such Fiscal Year.

(B) The total acre-feet of water delivered to the **CSD** through the **Nacimiento Project Facilities** for the Fiscal Year in question will be multiplied by the result from subsection (A).



(iii) Capital Project Installment Debt Service. The **CSD** shall pay its pro rata share of the Capital Project Installment Debt Service attributable to Unit A of the **Nacimiento Project Facilities** incurred by **FCWCD** during the preceding Fiscal Year. The **CSD's** pro rata share will be determined as follows:

(A) The total actual Capital Project Installment Debt Service attributable to Unit A for the Fiscal Year in question will be divided by the total acre-feet of water delivered by the **FCWCD** through Unit A during such Fiscal Year.

(B) The total acre-feet of water delivered to the **CSD** through the **Nacimiento Project Facilities** for the Fiscal Year in question will be multiplied by the result from subsection (A).

(iv) All other costs directly attributable to the conveyance of the **CSD Entitlement** through the **Nacimiento Project Facilities**.

(b) Notwithstanding the cost calculations set forth in subsection (a), in no event shall the charges for conveyance of the **CSD Entitlement** through the **Nacimiento Project Facilities** be effected at charges less than those applicable to the conveyance of Delivery Entitlement through Unit A.

(c) Contract Payments.

(i) Billings.

(A) Variable Energy Costs. The **FCWCD** will bill the **CSD** on a quarterly basis. Billings will take place no later than the forty-fifth (45th) day following the end of each Calendar Quarter for the Variable Energy Costs attributable to the Calendar Quarter most recently concluded.

(B) Operation and Maintenance Costs, Capital Projects Installment Debt Service and all other costs incurred by **FCWCD**. The **FCWCD** will bill the **CSD** on an annual basis. Billings will take place on or before December 1 of each year. The period covered by this billing shall be for the preceding Fiscal Year ending June 30.

(ii) Payment. The **CSD** shall pay to **FCWCD** any billed amount no more than thirty (30) days after the billing date. A late payment penalty of one percent (1%) per month on the unpaid balance shall accrue on all overdue payments.

(d) **Relationship to Charges for the CSD Entitlement.** The charges for conveyance described herein are over and above the charges for water supply that the CSD is obligated to pay FCWCD pursuant to the **Water Supply Contracts**.

(e) **Charges Represent Fair Compensation.** The CSD agrees that the charges set forth in this Paragraph 14 represent “fair compensation” as defined in California Water Code Section 1811 for the use of the Reserved Capacity of the **Nacimientto Project Facilities** during an **Emergency Condition** and hereby waives any right to challenge the compensation established herein as an unreasonable charge.

15. Default; Suspension of Service. In the event of any default by the CSD in the payment of any money required to be paid to FCWCD under this **Contract** for use of the **Nacimientto Project Facilities** or under the **Water Supply Contracts** for the **CSD Entitlement**, the FCWCD, in its discretion, may suspend conveyance of the **CSD Entitlement** during the period when the CSD is delinquent in its payment for or obligations due to FCWCD under the terms of this **Contract** or the **Water Supply Contracts**; provided that during any such period of delinquency or suspension, the CSD shall remain obligated to make all payments required under this **Contract** and the **Water Supply Contracts**. Action taken pursuant to this paragraph shall not deprive the FCWCD of or limit any remedy provided by this **Contract**, the **Water Supply Contracts** or by law for the recovery of money due or which may become due under this **Contract** or the **Water Supply Contracts**.

Should the CSD otherwise default in the performance of this **Contract** or the **Water Supply Contracts** (other than the payment of FCWCD charges) or materially breach any of their provisions, and in the event that the CSD shall fail to remedy such default within thirty (30) days of receiving notice, or if such default cannot be cured within thirty (30) days, and the CSD has not commenced corrective action and prosecuted the same to completion with due diligence, or in the event that the default is of such a nature that it cannot be cured by any action of the CSD, then and in any of these events, in addition to any other remedy the FCWCD may have by operation of law, the FCWCD shall have the option of suspending conveyance of the **CSD Entitlement** or terminating this **Contract** by giving written notification to the CSD.

16. Disputed Payments; Interest. Upon each charge to be paid by the CSD to the FCWCD pursuant to this **Contract** which remains unpaid after the same shall have become due and payable, interest shall accrue at an annual rate equal to that earned by the FCWCD on its funds invested through the County of San Luis Obispo by the County Treasurer, calculated monthly on the amount of such delinquent payments from and after the due date when the same becomes due until paid, and the CSD hereby agrees to pay such interest; provided that no interest shall be charged to or be paid by the CSD unless such delinquency continues for more than thirty (30) days.



17. Obligation of the CSD to Make Payment. The obligations of the **CSD** arising out of, pursuant to, or incidental to this **Contract** including, without limitation, the obligations of the **CSD** to pay the **FCWCD** the sums becoming due **FCWCD** for the construction of the **Turnout** and conveyance of the **CSD Entitlement** through the **Nacimiento Project Facilities** hereunder, shall constitute a general obligation of the **CSD** and the **CSD** shall use all powers and resources available to it under the law to budget or collect the funds necessary for and to pay its obligations to the **FCWCD** under this **Contract**, including levying and collecting all necessary taxes, assessments and charges. The **CSD** as a whole is obligated to pay to the **FCWCD** the payments becoming due under this **Contract** notwithstanding any individual default by its water users, constituents or others.

18. Notices. All communications or notices in connection with this **Contract** shall be deemed to have been given if delivered personally or if enclosed in a properly addressed and stamped envelope and deposited with the U.S. Postal Service for delivery by registered or certified mail with return receipt requested. Facsimile or electronic mail will be accepted as long as it is immediately followed by a written, signed notice by U.S. mail, postage prepaid. Until formally notified of a change, the parties shall send all notices to the other party at the addresses shown below:

Public Works Director  
Public Works Department  
San Luis Obispo County Flood Control and Water Conservation District  
County Government Center, Room 206  
San Luis Obispo, California 93408

General Manager  
Heritage Ranch Community Services District  
4870 Heritage Road  
Paso Robles, CA 93446

19. Amendments. This **Contract** may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendment is in any way contrary to the **Nacimiento Reservoir Contracts** or applicable law, and providing that any such amendment shall be in writing and approved and adopted by the respective governing bodies of the **FCWCD** and the **CSD** before the amendment shall be effective.

20. Assignment. The provisions of this **Contract** shall apply to and bind the successors and assigns of the respective parties, but no assignment or transfer of this **Contract** or any part hereof or interest herein shall be valid until and unless approved by the **FCWCD** provided that, any such approval must be in writing and be duly approved and adopted by the

FCWCD's Board of Supervisors. The FCWCD shall not unreasonably withhold consent to assignments.

21. Good Faith. The CSD and FCWCD shall each act in good faith in performing their respective obligations as set forth in this **Contract**.

22. Uncontrollable Forces and Emergencies. If either of the parties to this **Contract** is precluded in whole or in part from conveying or receiving the **CSD Entitlement** through the **Nacimiento Project Facilities** as a result of uncontrollable forces or emergencies, both parties are relieved from the obligations to the extent that they are reasonably unable to complete the obligation due to the uncontrollable forces or emergency. Uncontrollable forces and emergencies shall include, without limitation, earthquakes, fires, tornados, floods and other natural disasters and unexpected equipment outages. However, the CSD shall be responsible for repaying any costs incurred on its behalf by the FCWCD before the occurrence of the uncontrollable force or emergency; or in FCWCD's attempts to forestall, ward off or ameliorate the effects of the uncontrollable force or emergency.

23. Indemnification. CSD shall defend, indemnify and hold harmless FCWCD and its agents, consultants, officers, elected officials, directors and employees from and against any and all liabilities, claims, costs, expenses, losses, and damages, including attorney's fees and costs, which arise out of, relate to or result from this **Contract** unless arising from FCWCD's established sole negligence or willful misconduct. This indemnification shall include, but is not limited to, the costs, attorney's fees, expenses and damages incurred by FCWCD to defend any and all such claims or lawsuits, to which FCWCD is made a party.

24. Waiver of Rights. Any waiver at any time by any party hereto of its rights with respect to a default or any other matter arising in connection with this **Contract** shall not be deemed to be a waiver with respect to any other default or matter.

25. Successors and Assigns Obligated. This **Contract** and all of its provisions shall apply to and bind the successors and assigns of the parties hereto.

26. No Effect on Existing Rights. Nothing in this **Contract** shall be construed to amend, modify, restrict or limit, the respective rights, duties and obligations of the parties under any contract, permit, authorization or entitlement whether between the parties hereto or with respect to any such relationship between a party hereto and a third party or the public.

27. Entire Agreement. This **Contract** supersedes all previous contracts between the parties hereto on the same subject matter and constitutes the entire understanding of the parties hereto on the subject matter of this **Contract**.

IN WITNESS THEREOF, the parties hereto have executed this **Contract**.

**SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
Chairperson of the Board  
San Luis Obispo County Flood Control and  
Water Conservation District  
State of California

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

**ATTEST:**

By: \_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the  
Board of Supervisors, San Luis Obispo County  
Flood Control and Water Conservation District  
State of California

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

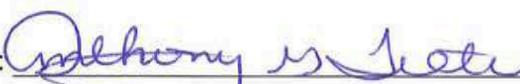
**APPROVED AS TO FORM AND LEGAL EFFECT:**

RITA L. NEAL  
County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

Date: 2-10-15

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

By:  \_\_\_\_\_  
President of the Board  
Heritage Ranch Community Services District  
State of California

Date: 2-19-15

**APPROVED AS TO FORM AND LEGAL EFFECT:**

THOMAS D. GREEN  
District Counsel

By:  \_\_\_\_\_  
District Counsel

Date: 3-3-18



## Exhibit A

### Segment of the Nacimiento Project Facilities to be Utilized by CSD

A Portion of Unit A - Lake Nacimiento Intake and Pump Station up to and including the air release/air vacuum valve located at approximate Station 40+92.94 as depicted on the Nacimiento Water Project Record Drawings: Shall consist of the raw water intake structure including rights-of-way, intake shaft, tunnel(s), multi-port underwater intake piping and valves with appurtenances, underwater piping and appurtenance anchor and support blocks, intake fish screens, a building, pumps, piping, surge control facilities, access road, screens, gates, valves, controls and communication, electrical service, instrumentation, grounds, fencing, corrosion control, and appurtenances; and pipeline including rights-of-way, road crossings, controls and communication, instrumentation, air release structures, blowoffs, valves, vaults, corrosion control, and appurtenances.

**Exhibit B**  
**Nacimiento Water Project Record Drawings and Turnout Design Documents**





FOR REDUCED TO A5C  
ORIGINAL SCALE 8.5x11 INCHES

# SAN LUIS OBISPO COUNTY FLOOD CONTROL & WATER DISTRICT NACIMIENTO WATERLINE PROJECT EMERGENCY WATER TURNOUT FOR THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT PASO ROBLES, CALIFORNIA

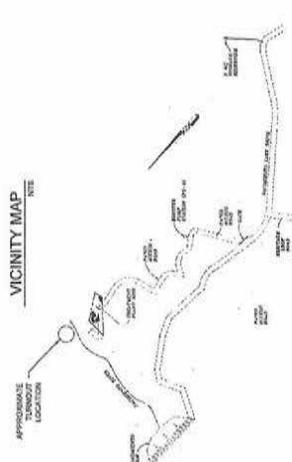
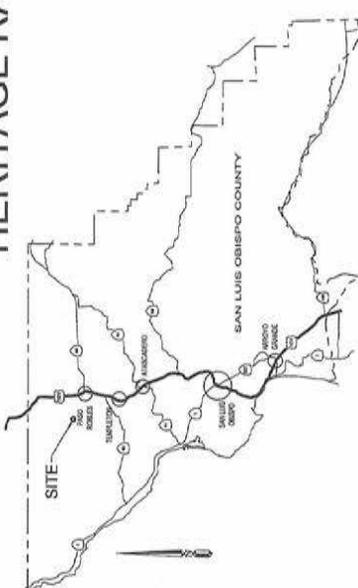
FILE NUMBER: 14000002-0000



SEAL OF SAN LUIS OBISPO COUNTY  
 No. 4975  
 CIVIL  
 2014

APPROVED: *[Signature]*  
 03-14

HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
 EMERGENCY WATER TURNOUT FOR



SHEET INDEX	
SHEET #	SHEET TITLE
1	COVER SHEET
2	TURNOUT DETAILS

**PROJECT APPROVALS**

APPROVED: *[Signature]* March 3, 2014  
 STREET & WATER DISTRICT ENGINEER

APPROVED: *[Signature]* June 16, 2014  
 DISTRICT DIRECTOR OF PUBLIC WORKS

APPROVED: *[Signature]* April 20, 2014  
 DISTRICT PERSONNEL MANAGER

COVER SHEET  
 NACIMIENTO PIPELINE EMERGENCY WATER TURNOUT FOR  
 HERITAGE RANCH COMMUNITY SERVICE DISTRICT

DRAWING NO. C-1.0  
 1 OF 2 SHEETS

