

Appendix J: Purchase Agreement

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CONTRACT BETWEEN THE SANTA CLARA COUNTY
FLOOD CONTROL AND WATER DISTRICT
AND CALIFORNIA WATER SERVICE COMPANY FOR A
SUPPLY OF TREATED WATER

THIS CONTRACT made and entered into this 8th
day of December, 1964, by and between the SANTA CLARA
COUNTY FLOOD CONTROL AND WATER DISTRICT, hereinafter referred to
as "District", and CALIFORNIA WATER SERVICE COMPANY, a California
corporation, hereinafter referred to as "Company",

W I T N E S S E T H:

WHEREAS, District has executed a contract with the
State of California whereby District will be entitled to
receive from the State a maximum entitlement of 100,000 acre
feet of water each year during a period commencing November 20,
1961 and terminating not earlier than November 20, 2036; and

WHEREAS, District intends to enter into a contract
with the United States Government, Bureau of Reclamation, where-
by District will be entitled to receive from the United States
a maximum entitlement of 210,000 acre feet of water each year
during a 40 year period commencing in 1970; and

WHEREAS, District intends to construct a distribution
system within the boundaries of District to distribute water so

received to Santa Clara Valley Water Conservation District for
percolation and to distributing agencies such as Company for do-
mestic and other uses; and

WHEREAS, included within said system are facilities to
treat and filter such water; and

WHEREAS, Company is desirous of obtaining a supply of
treated water from District;

NOW, THEREFORE, for and in consideration of the mutual
promises and covenants herein contained, the parties hereto agree
as follows:

ARTICLE A. INTRODUCTORY PROVISIONS

1. Definitions - When used in this contract, the following terms
shall have the meanings hereinafter set forth:

- (a) "State Contract" shall mean the contract dated November
20, 1961, between the State of California, Department of
Water Resources, and District, as amended by Amendment
No. 1 dated December 16, 1963, and by Amendment No. 2
dated September 28, 1964.
- (b) "Federal Contract" shall mean the future contract between
the United States Government, Bureau of Reclamation, and
District referred to in the second recital above.
- (c) "Fiscal year" shall mean each 12 month period during the
term hereof commencing July 1 of one year and terminating
June 30 of the next succeeding year, both dates inclusive.

(d) "Each Contractor", or "Other Contractor", shall mean any entity, public or private, contracting with District for a supply of treated water.

(e) The "Act" shall mean the Santa Clara County Flood Control and Water District Act, as amended, Water Code App. Section 60.

(f) "Board" shall mean the Board of Supervisors of the Santa Clara County Flood Control and Water District.

2. Term of Contract -

(a) This contract shall become effective on the date first above written and shall remain in effect for a period of 70 years or until all bonds, the proceeds of sale of which have been used for the construction of water treatment and filtering facilities, have been retired, whichever period shall be longer, provided, however, that in no event shall the term of this contract be deemed to extend beyond the period authorized by law.

(b) The term of this contract may be extended for an additional term of years upon such terms and conditions as may be set forth in a written agreement of the parties hereto executed at least eighteen (18) months prior to expiration of the term specified in the preceding subsection 2(a). If no such agreement shall be so executed,

this contract shall terminate as specified in said subsection 2(a) unless at least one year prior to said termination date Company shall notify District in writing that Company desires to extend the term hereof; in such event, said term shall be extended for an additional period of five years upon the covenants, agreements and conditions herein contained.

3. Successors and Assigns - Subject to the provisions of the succeeding Section 4 hereof, this contract and all the terms, covenants, agreements and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

4. Assignment - No assignment or transfer by Company of this contract or any part hereof, or any rights hereunder or interest herein of Company, shall be valid unless approved by District, which approval District agrees shall not be unreasonably withheld. The foregoing provisions of this Section 4 to the contrary notwithstanding, (a) no consent shall be required on an assignment to a Public Agency with the power of eminent domain provided such Public Agency expressly assumes the obligations of this contract and provided further that if said Public Agency assumes only a portion of the obligations of this contract Company shall remain obligated for the

remainder, or (b) in the event Company shall sell, transfer or convey any part or parts of its water system to any entity, public or private, Company may assign to the purchaser thereof a portion of Company's rights, privileges and obligations hereunder and, in the event of any such assignment, Company shall be relieved of such portion of such obligations of Company so assigned if, following such sale, transfer or conveyance, (a) District shall commence to furnish treated water to such entity, or (b) District under a contract with such entity existing prior to such sale, transfer or conveyance increases the amount of treated water delivered to such entity in order to meet in part the increased water requirements of such entity resulting from such sale, transfer or conveyance.

ARTICLE B. WATER SERVICE PROVISIONS

1. Annual Water Delivery Schedules - Commencing on March 1, 1967, and continuing throughout the term of this contract, District agrees to deliver to Company during each fiscal year or fractional fiscal year of this contract, as the case may be, the amounts of treated water set forth on the approved delivery schedule for each such year or fractional fiscal year, as the case may be. The approved delivery schedule for the fiscal years 1966-67 and 1967-68 is set forth on Exhibit A attached hereto and by this reference made a part hereof. District agrees to provide facilities capable of delivering and will deliver to Company on demand in any month during the term of this contract at least 12-1/2% of the total amount of treated water which District has theretofore agreed to deliver to Company during the fiscal year in which such month shall fall and District further agrees to be prepared to deliver and will deliver to Company on demand daily in any such month 1/30 of said 12-1/2% of such total amount and 1/22 of said 12-1/2% of such total amount for not more than three consecutive days.
2. Peak Delivery Schedules -
 - (a) On or before October 15 of each year during the term of this contract, commencing with the year 1965, Company shall submit in writing to District a preliminary water delivery schedule on a form provided by District indicating the

amounts of treated water desired by Company during each month of the succeeding five fiscal years and the rate of delivery desired by Company during peak days of said fiscal years. Upon receipt of such water delivery schedule District shall review the same and, after consultation with Company and Other Contractors receiving treated water from District, shall approve such schedule or make such reductions in the same as may be necessary to enable District to make such deliveries, provided, however, that District agrees that each fiscal year it will approve a delivery schedule for delivery to Company during the next succeeding fiscal year of an amount of treated water not less in total and in peak days than the respective amounts thereof set forth in the approved delivery schedule for the then current fiscal year. The approved delivery schedule shall be transmitted to Company prior to December 15 of the fiscal year in which the preliminary schedule is submitted, and the total amount of treated water set forth therein for the next succeeding fiscal year shall, except as limited by Article D, Section 4 hereof, be the amount upon which Company's minimum monthly payments shall be calculated; the total amount of treated water set forth therein for each of the four fiscal years

following such next succeeding fiscal year is intended only as a guide to District of Company's then current estimates of its treated water requirements for such four years and shall not be binding upon either District or Company. Subject to availability of funds, sound fiscal policies, reasonable construction schedules and proper operating schedules, District will make all reasonable efforts to approve each such preliminary water delivery schedule of Company.

- (b) Company agrees that it will never request in any preliminary water delivery schedule an annual amount of water which shall be less than the total amount of water set forth in the approved delivery schedule for the then current fiscal year unless Company shall have assigned or agreed to assign a portion of its rights, privileges and obligations hereunder pursuant to the provisions of Article A, Section 4 hereof, and (i) District has consented to such assignment, or (ii) Company otherwise shall have been relieved of a portion of its obligations hereunder pursuant to the provisions of said Article A, Section 4; following occurrence of either event specified in the preceding clauses (i) and (ii), the foregoing provisions of this subsection (b) shall apply only to the unassigned portion of Company's rights and obligations hereunder.

3. Delivery Structures -

- (a) Water delivered to Company pursuant to this contract shall be delivered by District at those locations and through delivery structures designated as turnout numbers W-415 and W-480 on Exhibit B attached hereto and by this reference made a part hereof.
- (b) All said delivery structures referred to in the preceding subsection (a) shall be designed and constructed or caused to be constructed by District. District shall pay for the cost of the land, automated controls and reporting systems, nozzle turnout and shut off valve portion of each of said structures, and Company shall pay the total cost of acquiring and installing the measuring devices, the vault or housing and the pressure regulating devices, if any, of each of said structures as said devices and facilities are shown on Exhibit C attached hereto and by this reference made a part hereof. Upon thirty (30) days' written notice by District, Company shall deposit with District prior to such acquisition and installation an amount of money estimated by District to be sufficient to cover such cost to be borne by Company. In the event such estimate proves to be low, Company shall pay to District upon written demand therefor the difference between District's

estimate and the actual cost to be so borne by Company. In the event such estimate proves to be high, District shall refund to Company promptly the difference between the actual cost to be so borne by Company and the amount of said deposit.

- (c) District agrees to install or cause to be installed at costs to District and Company as determined in accordance with the provisions of the preceding subsection (b), and at such locations as Company may approve such additional delivery structures as Company may reasonably request in writing.
- (d) Title to all delivery structures and to all appurtenances thereto shall be in District, and Company shall have no obligations or responsibilities with respect thereto and shall be under no obligation to operate, maintain, repair, replace or relocate the same. Company shall have no obligation whatsoever to pay all or any portion of the cost of acquiring any real property on which any facility, structure or plant of District shall be located.

4. Measurement of Water Delivered - District shall measure all water delivered to Company and shall keep and maintain accurate and complete records thereof. For such purpose, District shall install, operate and maintain at all delivery structures such

measuring devices and equipment as are satisfactory and acceptable to both parties.

5. Curtailment of Delivery During Maintenance Periods - District will make all reasonable effort to provide continuous service to Company, but may temporarily discontinue or reduce the delivery of water to Company for the purpose of necessary investigation, inspection, maintenance, repair or replacement of any of the facilities necessary for the delivery of treated water to Company. District shall notify Company as far in advance as possible of any discontinuance or reduction and the estimated duration of such discontinuance or reduction. Recognizing that Company will rely on District for uninterrupted deliveries of water particularly during the high water consumption months each year, District agrees to use its best efforts throughout the term of this contract to make any such discontinuance or reduction in the delivery of water only during the period of November through March in any fiscal year. In the event of any discontinuance of or reduction in delivery of water, Company may elect to receive the amount of water which otherwise would have been delivered to it during such period under the approved water delivery schedule for that fiscal year at other times during such year, consistent with District's delivery ability considering the then current delivery schedules of all Other Contractors.

6. Suspension of Service Upon Default - In the event of any default by Company in the payment of any money required to be paid to District hereunder, District may, upon not less than three months' written notice to Company, suspend deliveries of water under this contract for so long as such default shall continue, provided, however, that during such period Company shall remain obligated to make all payments required under this contract and provided, further, that such delinquent amount shall accrue interest at the rate of one-half of one per cent per month commencing on the due date of such delinquent amount and continuing until both the principal amount of such charges and the interest thereon are paid in full. Such suspension of delivery taken pursuant to this Section 6 shall not deprive District of or limit any remedy provided by this contract or by law for the recovery of money due or which may become due under this contract. In the event of any disagreement between Company and District as to the amount of any bill rendered to Company by District, water service shall not be discontinued if the disputed amount thereof is placed on deposit with District. Such deposit shall not preclude review and adjustment of any water bill as set forth in Article D, Section 7 hereof.
7. Water Quality - District agrees that all water to be delivered by it to Company pursuant to the terms of this contract will be

pure, palatable, wholesome, potable and healthful and that all such water will be of such quality that the same may be used for domestic purposes at the points of delivery thereof to Company without further treatment. District understands that Company is a public utility water corporation furnishing water to its customers for domestic purposes and that water to be delivered by it to Company hereunder will be delivered by Company to said customers. District agrees that its system shall be constructed and operated during the term hereof in accordance with a permit or permits, including temporary permits, to be issued by the State Department of Public Health, copies of which will be furnished to Company upon receipt by District. District further agrees that the treated water to be delivered to Company pursuant to this contract shall conform to the quality requirements set forth in said permits.

ARTICLE C. CONSTRUCTION OF FACILITIES

1. The general location of the pipelines which District agrees to construct is shown on Exhibit B attached hereto.
2. The location of the treatment plants which District agrees to construct is shown on Exhibit B attached hereto.
3. District agrees to construct the Rinconada Water Treatment Plant with an initial capacity of at least fifteen million gallons per day.
4. The capacity of the Penitencia Water Treatment Plant shall be determined when contracts with Other Contractors obtaining water from said plant have been executed.
5. Nothing contained in this contract shall prevent District from altering the location of the pipelines, modifying the size thereof, extending said pipelines, building additional pipelines, enlarging the size of treatment plants, or building additional treatment plants. Upon final determination of the location of each said pipeline, District agrees to give written notice thereof to Company.
6. Except as limited by the provisions of Article B, Section 3 hereof, all facilities to be constructed by District shall be constructed at District's sole cost and expense.

ARTICLE D. PAYMENT PROVISIONS

1. The payments to be made by Company and Each Contractor for treatment and delivery of water shall be a price per acre foot based upon a pricing formula adopted by the Board on March 4, 1963, and shall be the total of the costs, as estimated and allocated by District in each period for which a rate schedule is effective, of the treatment charge component and the transportation charge component, as hereinafter set forth, divided by the estimated number of acre feet of treated water to be delivered by the District to Company and Other Contractors in the period for which a rate schedule is effective.

(a) The treatment charge component shall return to the District during the term of this contract all costs for treating water, including land purchased for treatment plants, construction of plants, and interest on such capital costs, all amortized over the life of the bonds, the proceeds of sale of which provided funds to construct or enlarge such treatment plants, together with all general and administrative expense, which shall include but not be limited to the annual operation, maintenance and replacement costs thereof.

(b) The transportation charge component shall return to the District during the term of this contract one-half the

cost for transporting treated water from treatment plants to points of delivery, including land for pipelines, construction of pipelines and appurtenances exclusive of measuring devices and facilities to be paid for in advance by Company as provided in Article B, Section 3(b) and interest on such capital costs, all amortized over the life of the bonds, the proceeds of the sale of which were used to construct said pipelines, together with all general and administrative expense which shall include but not be limited to the annual operation, maintenance and replacement costs of said pipelines.

2. In addition to the above price components to be recovered by the rates set forth in the rate schedules, the Company shall also pay for each acre foot of treated water a raw water charge which shall, during the first rate period ending June 30, 1971, be equal to the ground water charge of the District for water other than agricultural water (said words "agricultural water" being defined in the Act) in Zone W-2 which shall be determined annually by the Board in accordance with the legal provisions and requirements of the Act. Beginning July 1, 1971 and thereafter, the raw water charge shall be equal to said District ground water charge plus an additional charge which shall not exceed the ground water charge of the Santa

Clara Valley Water Conservation District established by said District for water other than agricultural water.

3. District shall charge for the delivery of treated water in accordance with the rate schedule for water service as such rate schedule is established or amended by the Board to provide for the recovery of the price components set forth in Article D, Section 1 during the periods said rates are in effect and any shortages in the recovery of said components that may have been experienced during the preceding rate period or periods, and for the equivalent of the annual raw water charges set forth in Article D, Section 2. The first such rate schedule is set forth on Exhibit D, attached hereto and by this reference made a part hereof, and shall be effective through June 30, 1971, provided, however, that if prior to March 1, 1969, the first such rate schedule appears to be insufficient to provide for the recovery of said price components through the period terminating on June 30, 1971, then the District prior to March 1, 1969, may establish a new rate schedule for the period from July 1, 1969 through June 30, 1971. Thereafter the Board of Supervisors shall review said rate schedule every five years to determine whether the schedule is in accordance with the most recent costs and revenues of the District. Accordingly, the Board shall on or before January 1, 1971, establish a rate schedule for the period commencing July 1, 1971

through June 30, 1976, and shall follow said procedure for each ensuing five year period. Each such rate schedule shall be prospective in operation, but shall provide for the recovery of said price components and the raw water charges during the periods said rates are in effect and any shortages of revenue for said price components that may have been experienced during the preceding rate periods. It is agreed that the rates to be so established shall not be unreasonable or arbitrary, shall be based upon reasonable estimates of costs and water deliveries and shall be the same for Company and Other Contractors and all other persons, public or private, purchasing treated water from District, regardless of the point of delivery of such water by District; District agrees to use its best efforts throughout the term of this contract to collect from Other Contractors and such other persons in accordance with such rate schedules the appropriate sums of money without deduction or offset according to the respective amounts of treated water delivered by the District.

4. Company shall pay District the rate or rates set forth on the rate schedules during the period said rate schedules are effective for all water delivered to Company, provided, however, that Company shall pay District at least a minimum charge each month applicable to water delivered in such month, which shall be calculated in accordance with the then applicable rate

schedule and shall be based upon an amount of treated water equal to four per cent per month of the total amount of treated water to be delivered to Company during the fiscal year as shown on the approved delivery schedule for that fiscal year, provided, however, that:

- (a) If in any day of any month during the term hereof District for any reason shall be unable to deliver treated water to Company in an amount equal to 0.131 per cent of the total amount of water specified in the approved delivery schedule for the then current fiscal year, the minimum charge for that month shall be based upon an amount of water as calculated above in this Section 4, reduced by 0.131 per cent of the total amount of water for the then current fiscal year for each day that District shall be unable to make such deliveries; or
- (b) If in any fiscal year during the term hereof District shall reduce the deliveries to Company pursuant to the provisions of Article E hereof, said monthly minimum charge for each month during such year shall be calculated upon an amount of water equal to four per cent (4%) per month of such reduced total amount to be so delivered in any such year, and District shall promptly refund to Company the difference between any monthly minimum payment theretofore made in such year by Company which was calculated upon the

basis of the total amount of water originally set forth in the approved delivery schedule for such year and the monthly minimum charge for such month calculated upon the basis of such reduced total amount; or

- (c) If in any day of any month during the term hereof District shall offer to deliver to Company water which shall fail to meet the quality requirements set forth in Article B, Section 7 hereof, then Company shall have the right to refuse to accept deliveries of water from District until such time as such water shall meet said quality requirements; in any such month the then minimum charge shall be reduced by 0.131 per cent of the total amount of water for the then current fiscal year for each day that water service is so refused by Company. If Company at any time or from time to time during the term hereof should have the right to refuse to accept water from District by reason of the foregoing provisions of this subsection 4(c) but should nevertheless fail to exercise such right, such failure shall in no event be deemed to waive or limit any subsequent exercise of such right by Company.

Except as specifically limited by the foregoing provisions of this Section 4, Company shall not be obligated to pay for any water not accepted by it. Nothing in this Section 4 contained shall in any way be deemed to limit Company's obligation to

pay for all water accepted by it from District in accordance with the appropriate rates set forth from time to time in District's then applicable rate schedule.

5. Surplus - If District shall determine, in accordance with sound accounting practice, that the aggregate of the revenues received by it in any fiscal year during the term hereof (a) from the sale of treated water to Company and Other Contractors, (b) from the sale of raw water and (c) through collection of the ground water charges referred to in Article F hereof, have exceeded District's costs and expenses during such year, District shall retain such excess and reserve the same for construction of additional facilities, reduce its scheduled price of treated water or, subject to the provisions of the Act, reduce said ground water charges. Provided that the primary object in computing rates under this contract is to cover the costs as described in Sections 1 and 2 of this Article D, nothing in the preceding sentence contained shall prevent District from accumulating surplus for the construction of additional facilities or making temporary use of any such reserved excess for any purpose other than that for which the same may be reserved, provided such temporary use shall be limited to the importation, conservation, treatment or wholesale distribution of water.

6. Billings - Billings shall be made monthly as follows: On or about the first of each month commencing with the month following the month in which the first deliveries of treated water are made to Company hereunder District will send to Company a bill (i) for the minimum charge for the preceding month calculated in accordance with the provisions of Article D, Section 4 hereof and (ii) for the amount, if any, by which the quantity charge, calculated in accordance with the then applicable rate schedule, for all treated water accepted by Company from District during such preceding month shall exceed such minimum charge calculated as aforesaid. District shall make every effort to make required meter readings on the last day of each calendar month, but District shall be entitled to make such readings three days prior to the close of any calendar month or within five days after the beginning of any calendar month.
7. Time and Method of Payment - Payments shall be made by Company to District within twenty (20) days after billing by District. In the event that Company in good faith contests the accuracy of any bill submitted to it pursuant to this contract, it shall give District notice thereof at least five (5) days prior to the day upon which payment of the stated amount is due. To the extent that District finds Company's contentions

regarding the statement to be correct, it shall revise the statement accordingly and Company shall make payment of the revised amounts on or before the due date. To the extent that District does not find Company's contentions to be correct or where time is not available for a review of such contentions prior to the due date, Company shall make payment of the stated amount on or before the due date and may make the contested part of such payment under protest and seek to recover the amount thereof from District.

ARTICLE E. AVAILABILITY OF WATER

1. In any fiscal year in which there may occur a water shortage by reason of drought or other temporary cause in the supply of water available for delivery to all users, District shall, before reducing other deliveries of water, reduce, or if necessary cease, to the extent permitted by the operation of District's facilities consistent with its obligations to receive water pursuant to the State and/or Federal Contract, all deliveries of untreated water for percolation into the underground.
2. If, despite such reduction or cessation of such deliveries of untreated water for percolation pursuant to the provisions of the preceding Section 1, a further reduction in deliveries shall become necessary if the treated water requirements set forth on the approved delivery schedule of Company and Other Contractors are to be met, District shall, before reducing deliveries to Company and Other Contractors, reduce the total amount of agricultural water (as said words are defined in the Act) released to others for surface delivery during such fiscal year by an amount equal to the following; namely, the average of the releases of such surface delivered agricultural water during the preceding three fiscal years multiplied by the percentage by which District's total receipt of water from State

and Federal sources for agricultural use (as such use is defined in the State and Federal Contracts) is reduced in such year pursuant to provisions of said contracts.

3. If any reduction in deliveries of treated water shall become necessary following reductions in untreated water pursuant to the provisions of the preceding Sections 1 and 2, District shall reduce deliveries of treated water to Company and Each Contractor in an amount which bears the same proportion to the total amount of such reduction that the amount included in such treated water user's approved delivery schedule bears to the total of the amount included in the approved delivery schedule of Company and Each Contractor for that fiscal year, all as determined by District; provided, that District may apportion on some other basis if such is required to meet minimum demands for domestic supply, fire protection, or sanitation during the year. District agrees to notify Company in writing promptly in the event any such reduction in deliveries to Company and Other Contractors shall be decided upon and concurrently of the amount of such reduction and of any changes in Company's approved delivery schedule.
4. District shall not be liable for failure to deliver water to Company hereunder in the amounts hereinabove provided if such failure shall be caused by drought or any other reason beyond the reasonable control of District.

5. District shall give Company written notice as far in advance as possible of any reduction in deliveries of treated water which may be necessary because of a shortage in water supply.

ARTICLE F. GROUND WATER CHARGE

1. District agrees that in establishing or modifying the boundaries of any zone pursuant to the provisions of the Act, it will not act in an unreasonable, arbitrary or discriminatory manner. District further agrees that it will use its best efforts throughout the term of this contract to collect, without deduction or offset, from all persons operating ground water producing facilities (as said words are defined in Section 26.1 of the Act) the ground water charges at the rates per acre-foot of water then applicable in the zone of the District in which each such facility is located.

ARTICLE G. REMEDIES

By reason of the specialized nature of the water service to be rendered, and for the further reason that the extent of any damage caused to either party by the other by reason of any breach of this contract may be extremely difficult to determine, it is agreed by the parties hereto that an action for damages is an inadequate remedy for any breach, and that specific performance, without precluding any other remedy available in equity or at law, will be necessary to furnish either party hereto with an adequate remedy for the breach hereof.

ARTICLE H. GENERAL PROVISIONS

1. Amendments - This contract may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law.
2. Challenge of Laws - Nothing herein contained shall be construed as stopping or otherwise preventing Company or District from contesting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, any ordinance of District, or any rule, regulation or practice of District or Company.
3. Waiver of Rights - Any waiver at any time by either 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. None of the covenants or agreements herein contained can be waived except by the written consent of the waiving party.
4. Water Used on Excess Lands - The provisions of Article 30 of the State Contract shall be binding upon Company, and Company agrees to obtain such certifications and information as are required to be furnished to the State of California by said Article 30.
5. Notices - All notices or other writings in this contract pro-

vided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered or certified, postage prepaid, and addressed as follows:

To District: Santa Clara County Flood Control
and Water District
70 West Hedding Street
San Jose, California

To Company: California Water Service Company
1720 North First Street
San Jose, California

The address to which any notice or other writing may be given or made or sent to either party may be changed upon written notice given by such party as above provided.

6. Separability - If any one or more of the covenants or agreements set forth in this contract on the part of District or Company, or either of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such an extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements and shall in nowise affect the validity of this contract.
7. Paragraph Headings - Paragraph headings in this contract are for convenience only and are not to be construed as a part of

this contract or in any way limiting or amplifying the provisions hereof.

8. Other Contracts - District agrees that each contract for the supply of treated water hereafter entered into by District with any Other Contractor shall contain provisions substantially similar to those herein set forth and shall not contain any provisions of a material nature more favorable to the Other Contractor than the provisions hereinapplicable to the Company.

IN WITNESS WHEREOF, the Santa Clara County Flood Control and Water District has caused this contract to be executed by the Chairman of the Board of Supervisors and caused its Official Seal to be hereunto affixed and the California Water Service Company has caused these presents to be executed this _____ day of _____, 1964.

SANTA CLARA COUNTY FLOOD CONTROL
AND WATER DISTRICT

By M. J. SPANGLER
Chairman of the Board of Supervisors

(SEAL)

ATTEST: JEAN PULLAN, Clerk
of said Board

JEAN PULLAN

CALIFORNIA WATER SERVICE COMPANY

ATTEST:

By F. L. DODGE
Its President

C. H. STUMP
Secretary

(SEAL)

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CALIFORNIA WATER SERVICE COMPANY

Approved Delivery Schedule
for Fiscal Year 1966-67

<u>Fiscal Year</u>	<u>Quantity of Water in Acre Feet from Rinconada Water Treatment Plant</u>
1966-67	
July	0
August	0
September	0
October	0
November	0
December	0
January	0
February	0
March	132
April	244
May	305
June	323
Total	1,004
Peak Days Deliveries	4.8 MG

Estimated Delivery Schedule

1967-68	
July	375
August	375
September	360
October	210
November	150
December	135
January	135
February	123
March	150
April	276
May	345
June	366
Total	3,000
Peak Days Deliveries	5.5 MG

EXHIBIT A

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<u>Fiscal Year</u>	<u>Quantity of Water in Acre Feet from Rinconada Water Treatment Plant</u>	
1968-69		
July	419	
August	419	
September	402	
October	235	
November	168	
December	150	
January	150	
February	137	
March	168	
April	308	
May	385	
June	409	
	Total	3,350
	Peak Days Deliveries	6.2 MG

1969-70		
July	463	
August	463	
September	444	
October	260	
November	186	
December	165	
January	165	
February	151	
March	186	
April	340	
May	425	
June	452	
	Total	3,700
	Peak Days Deliveries	6.8 MG