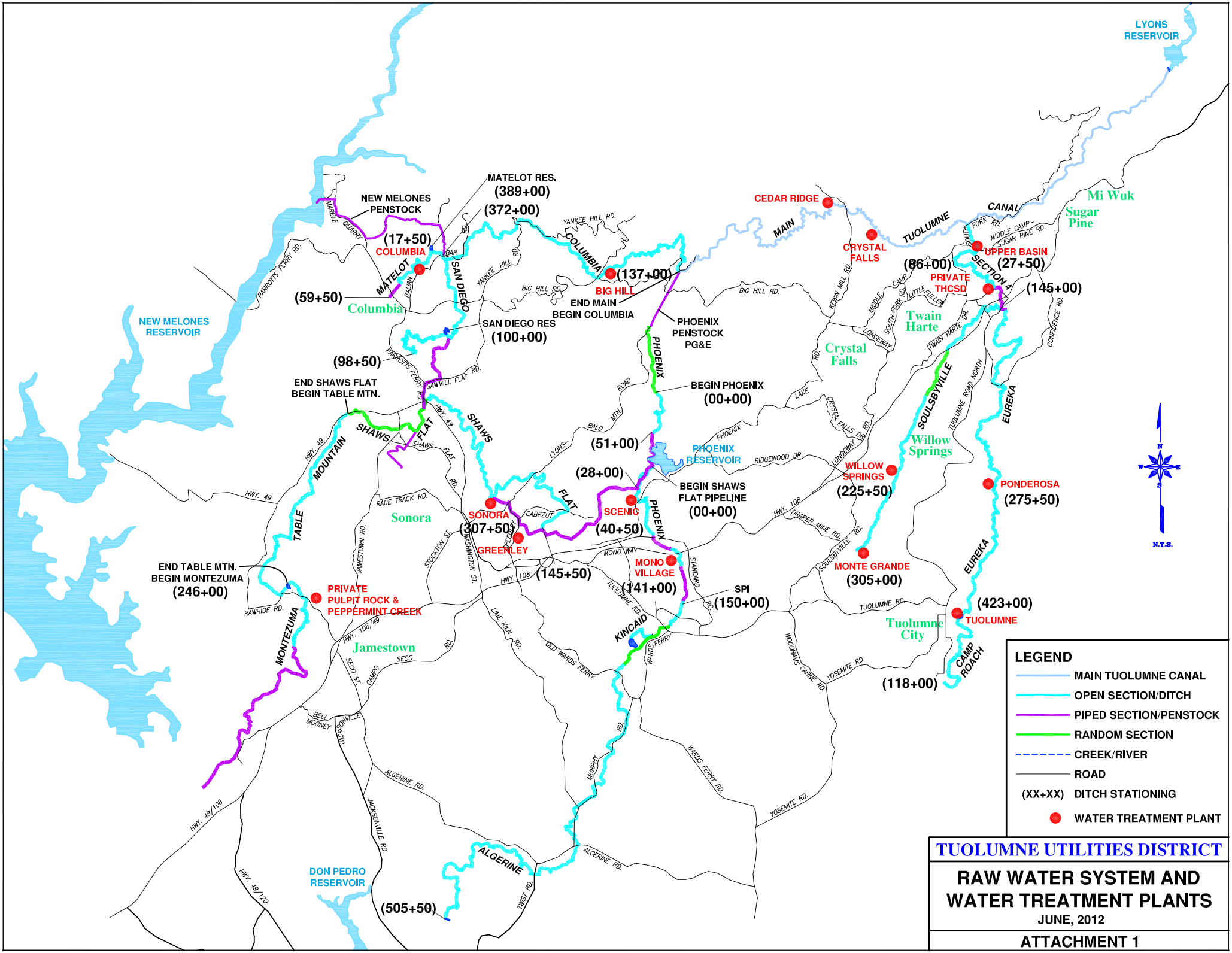
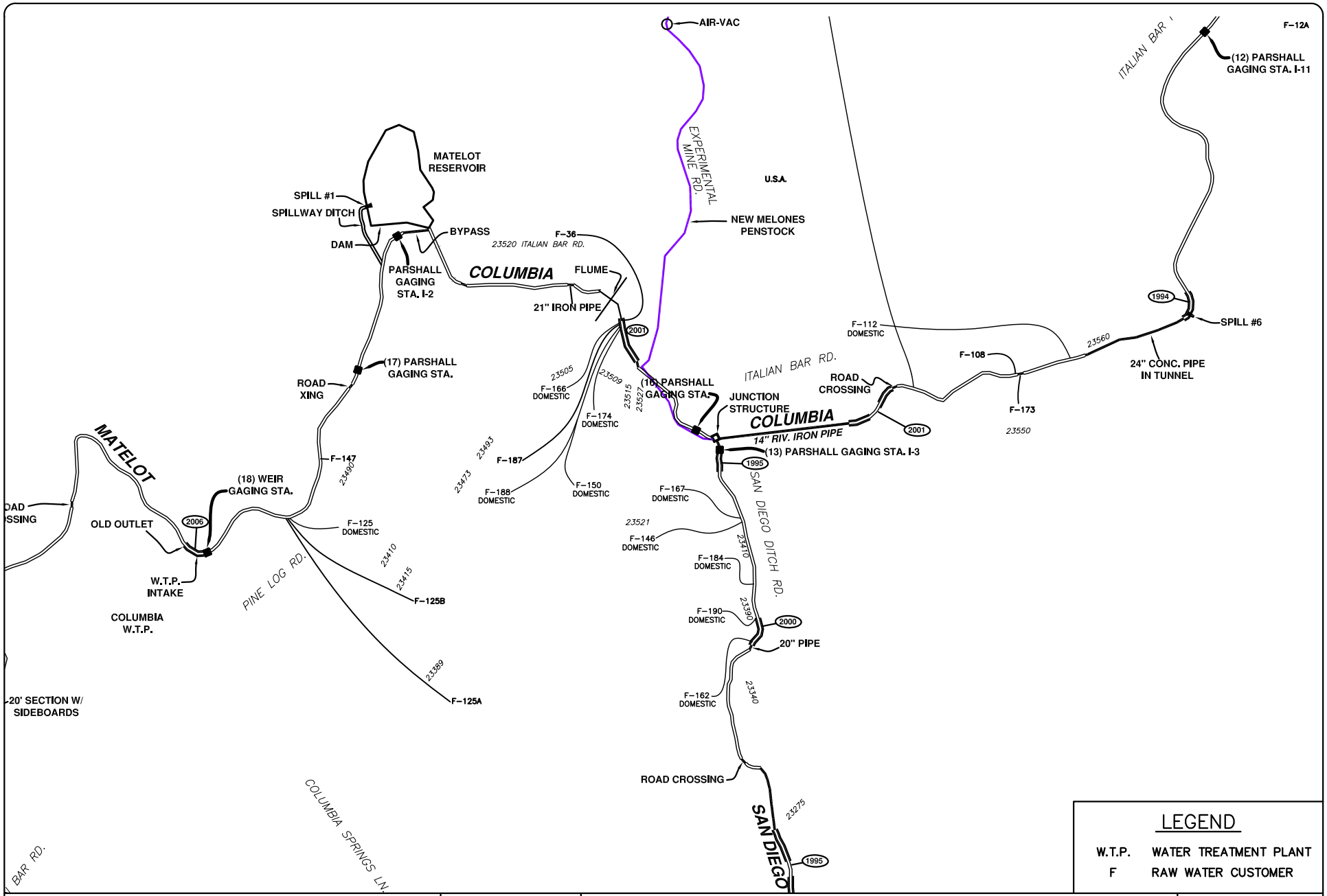

LYONS RESERVOIR
NEW MELONES RESERVOIR
DON PEDRO RESERVOIR
PHOENIX RESERVOIR
MATELOT RES.
(389+00)
(372+00)
NEW MELONES PENSTOCK
(17+50)
COLUMBIA
(59+50)
Columbia
(98+50)
SAN DIEGO RES
(100+00)
(137+00)
BIG HILL
END MAIN
BEGIN COLUMBIA
PHOENIX PENSTOCK PG&E
CEDAR RIDGE
CRYSTAL FALLS
(86+00)
PRIVATE THCSD
UPPER BASIN
(27+50)
SECTION 4
(145+00)
Mi Wuk
Sugar Pine
Twain Harte
Crystal Falls
END SHAWS FLAT
BEGIN TABLE MTN.
BEGIN PHOENIX
(00+00)
(51+00)
(28+00)
BEGIN SHAWS FLAT PIPELINE
(00+00)
SONORA
(307+50)
GREENLEY
SCENIC
(40+50)
Sonora
(145+50)
MONO VILLAGE
(141+00)
SPI
(150+00)
WILLOW SPRINGS
(225+50)
Willow Springs
PONDEROSA
(275+50)
MONTE GRANDE
(305+00)
(423+00)
TUOLUMNE
Tuolumne City
(118+00)
CAMP ROACH
END TABLE MTN.
BEGIN MONTEZUMA
(246+00)
PRIVATE PULPIT ROCK & PEPPERMINT CREEK
Jamestown
ALGERINE
(505+50)
MAIN TUOLUMNE CANAL
SHAWS FLAT
TABLE MOUNTAIN
MONTEZUMA
PHOENIX
SOULSBYVILLE
EUREKA
KINCAID
ALGERINE
HWY. 49
HWY. 108
HWY. 49/108
HWY. 49/120
N
S
E
W
N.T.S.
LEGEND
MAIN TUOLUMNE CANAL
OPEN SECTION/DITCH
PIPED SECTION/PENSTOCK
RANDOM SECTION
CREEK/RIVER
ROAD
(XX+XX) DITCH STATIONING
WATER TREATMENT PLANT
TUOLUMNE UTILITIES DISTRICT
RAW WATER SYSTEM AND WATER TREATMENT PLANTS
JUNE, 2012
ATTACHMENT 1



Tuolumne Utilities District

18885 Nugget Blvd.
Sonora, CA 95370
(209) 532-5536
Fax (209) 536-6485
www.tudwater.com

Project	EXAMPLE
Date	1 JUNE 2012
Scale	NTS
Drawn	GWN

EXAMPLE OF DITCH REACH DRAWING DEMONSTRATES THAT WATER SERVICES ARE SPREAD THROUGH THE SYSTEM TUOLUMNE COUNTY, CALIFORNIA

ATTACHMENT 2

Dwg. File:

REGULATION NO. 12

CONSERVATION

12.01 General

It is the District's Policy to take reasonable and prudent measures to conserve all natural resources and to adopt and implement a conservation program. It is further the District's policy to take reasonable and prudent measures to conserve water and energy in the operations and development of the District.

12.02 Specific Concerns

The District in its operation shall:

1. Develop pricing structures to encourage conservation of water and energy.
2. Promote through public relations a public consciousness of the need to conserve.
3. Assist customers to optimize efficient use of water.
4. Maintain facilities to conserve water.
5. Design facilities with conservation of water and energy in mind.
6. Construct facilities to conserve or retrieve water and energy.
7. Seek to halt all illegal use of water.

12.03 Water Conservation Programs to be Activated in Phases

The District shall have the power to restrict use of District water during any shortage or other emergency, upon the making of any findings or the taking of any other actions that may be authorized or required by law, including Sections 350-358 and 31026-31029 of the Water Code.

12.03.1 Phase I - Ongoing Water Management

a. Education programs including County Schools programs.

b. Ultra low-flow toilet rebate program. Water customers of the District shall be eligible to receive a $45.00 conservation rebate, up to a maximum of three toilets per residential customer account, and with no maximum for a commercial business, for the replacement of toilets that were designed to use in excess of 3.0 gallons per flush, with District approved low-flow models using 1.6 gallons per flush or less. Participants must register a purchase receipt for each rebate and authorize District inspection of the completed replacement before payment shall be made.

c. Promotion of water-saving landscaping.

d. Community education programs;

   i. Mailings (i.e. distribute "Lawn Watering Guide")

   ii. Demonstrations (Xeriscape Garden, Home Improvement Event)

iii. Seminars

iv. Video library

v. Public speaking

e. Requirement of low-flow fixtures in new developments.

f. Water audit and retrofit programs.

i. Low flow showerhead distribution

ii. Water conservation kit distribution

g. Signatory to and implementation of Best Management Practices Memorandum of Understanding.

h. Meter and/or flow control for all customer accounts and plant production activities.

i. Maintain tiered water rates for treated water.

j. Prohibit wasteful use of water.

k. Review for accuracy water measuring and/or metering devices.

l. "Agricultural Enterprise Water Rate" customers shall be required to design, construct, operate and maintain irrigation water systems in such a manner as to contain and put to beneficial use all delivered water.

m. Raw water "General Metered Service" accounts, in which an open flowing ditch is the point of service, shall be converted to a "General Irrigation Service" account, and the mechanical meter serving the property shall be replaced with an open flow measuring devices and water shall be billed at the appropriate comparable rate. "General Metered Service" accounts with a point of service and meter connection from a pressurized (minimum pressure at point of service 20 psi) delivery system shall not be converted to a "General Irrigation Service" account under this action.

n. It is desirable that all properties served by raw water measured by the miners inch have on site storage equipped with an automatic shutoff device. Minimum storage for property receiving winter raw water should equal seven (7) days of usage (300 cubic feet).

12.03.2 Phase II - Conservation Measures During Low Water Years

Immediately upon the completion of the March snow survey of the South Fork of the Stanislaus River a forecast of anticipated annual yield will be undertaken and rated as a percent of normal. When such forecast, or any subsequent survey, projects a water runoff yielding less than 50% of normal the District Board of Directors shall find that a threat of an emergency or shortage exists and the following measures shall be implemented:

System Wide

1. Increase public awareness:

District to hold additional landscape and irrigation seminars; prepare radio announcements, newspaper articles and ads; and send notices to Tuolumne County

teachers, school boards, local businesses, restaurants, community service groups, Chamber of Commerce, Board of Supervisors, Board of Realtors, Building Department, etc., stressing the need to conserve water and request methods of support.

2. Fire hydrant flow testing is prohibited.

3. Restaurants shall serve water only upon customer request.

Treated Water Accounts

1. Voluntary reduction in usage:

   District to mail special notices to all water customers advising of low water year and requesting reduction from previous years usage if possible, and containing information on conservation methods as well as advising customers of the financial impact.

2. Contact high water users:

   District to send notices to high water use customers and initiate a water usage audit.

3. Monitor and police outside water use:

   District to educate the public to recognize and remedy excessive water use and waste.

4. Household use:

   Customers should obtain conservation kits from the District and should request assistance from the District and local plumbing supply companies on availability of low-use fixtures.

5. Outside use:

   Customers shall eliminate water runoff; use drip or spot irrigation methods; shut off faucet when hose is not in actual use; modify existing watering schedule and request assistance from Master Gardeners and local nurseries to promote low water use (native) plants.

Raw Water Accounts - Voluntary Reductions

Notice of voluntary reduction:

District to mail special notices to all raw water customers advising of low water year and requesting reduction from previous years usage if possible.

Industrial and Commercial

District to send notices to high water use customers requesting any possible water conservation measures and initiate a water usage audit.

Resale Service - Treated and Raw Water

District to mail notices advising of low water year and requesting a reduction in individual water use. Notice to include copy of District's Conservation Policy along with a request to implement similar action.

12.03.3 Phase III - Critical Years - Restricting Use of Potable Water

A public hearing shall be held during which customers shall have the opportunity to be heard to protest against the declaration of the water shortage emergency condition and to present their respective needs to the Board.

Following a public hearing the Board of Directors may implement Phase III conservation measures whenever it determines that the amount of available water supply may be less than the projected water system demand.

District shall proclaim through resolution that a state of emergency exists and shall remain in effect until projected water availability exceeds projected demand for both the short and long term period.

System Wide - In Addition to those Measures Contained within Phase II

1. Determine system reduction goals (a function of projected runoff weighed against previous years usage) and update as conditions warrant.

2. Curtail to life maintenance the watering of lawns, gardens and any other irrigation. Individual plants or trees must be irrigated by the use of buckets or other containers or properly maintained irrigation drip systems. Water use which results in water running onto driveways, gutters, streets, adjoining property, and/or any other water runoff is prohibited.

3. Washing of cars, boats, trailers, or other vehicles by hose or by use of water directly from faucets or outlets connected to the public water supply is prohibited.

4. Washing of sidewalks, walkways, driveways, patios, parking lots, tennis courts or other hard-surfaced areas, including commercial establishments, by hose or by use of water from faucets or other outlets connected to the public water supply is prohibited.

5. New construction service applications shall be granted upon condition that water shall be used only for interior purposes and landscaping shall be delayed until repeal of Phase III restrictions. Installation of landscaping prior to the repeal of Phase III restrictions shall be a violation of this regulation and customer's service shall be restricted to life line rates by a device installed by the District. The device shall remain in place until the Board of Directors repeals the state of emergency or threat of emergency or shortage and upon payment of $500.00 penalty.

6. Use of water in decorative fountains, pools, recreational ponds and the like shall be limited to the minimum necessary to preserve aquatic life if present.

7. Dust control, earth compaction, and other construction use of raw or potable water is prohibited. Reclaimed water may be used for such purposes if authorized by the District in accordance with regulations.

8. Filling of new or existing swimming pools is prohibited.

9. Excessive water usage is prohibited and shall be remedied by restriction of the customer's service to life line water delivery rates by a device installed by the District or discontinuance of water service until the excessive usage is remedied, or the Board of Directors repeals the Phase III water restrictions, and the payment of a $500 penalty. Excessive water usage is defined as:

1. Allowing plumbing system leaks, including sprinkler and drip systems, to remain un-repaired for fourteen (14) calendar days following written notification by the District.

2. Without reasonable cause, water usage in excess of 200% of the prior year's usage during the same month of the year.

Treated Water and Raw Water (Metered) Domestic Accounts

1. Both raw and treated water metered customers, (where water is sold by the cubic foot) shall be required to restrict outside water usage between the period 12 noon and 7 p.m. and shall restrict usage to alternating days. Those accounts with a property address ending in an even number shall confine their outside usage to Tuesday, Thursday, and Saturday; those with an odd number shall confine their outside usage to Wednesday, Friday, and Sunday. There shall be no restriction on Monday.

2. Implement Emergency Water Delivery Rate Schedule predicated upon current established rates:

   i. A life line rate shall be established covering the first 500 cubic feet of water usage per month. The cost per cubic foot within the life line rate shall remain at the lowest bracket of the then current rate schedule.

   ii. Water consumption charges shall be based upon actual water used per month times the rate factors below.

   iii. Life Line Rate

First 500 cu ft.	Current lowest tier price of established rate
next 500 cu ft.	1.25 times life line rate
next 500 cu ft.	1.50 times life line rate
next 3,000 cu ft.	1.75 times life line rate
over 4,500 cu ft.	2.00 times life line rate

Raw Water Accounts

1. All raw water accounts with the exception of domestic accounts shall be reduced to an amount equal to the system wide reduction goal.

2. Raw water domestic accounts which are not metered will be restricted by the District to the extent possible up to the system wide reduction goal.

3. All interruptible accounts shall be reduced to sustained maintenance quantities.

4. Agricultural (irrigation/stock watering) water rate accounts:

   All "agricultural (irrigation/stock watering) water rate" accounts shall be reduced by a minimum of 1.25 times the System Wide Reduction Goal. The maximum reduction under this section shall not exceed fifty percent (50%) of previous years delivery. All interruptible accounts shall be reduced by a factor of fifty percent (50%).

5. Postponing irrigation season:

   Irrigation season shall be postponed, provided Lyons Reservoir is not spilling or projected to spill, to begin no earlier than May 1st and last no longer than September 31st.

Industrial and Commercial

Customers shall reduce consumption to the lowest possible amount which would allow continued operation. Conservation measures to be taken shall be established on an individual basis by the District.

Resale Service - Treated and Raw Water

1. Mandatory reduction in percent of usage equal to District's reduction goal.

2. Resaler shall restrict all outside water usage within his area of service to alternating days in a manner consistent with the policy established herein.

12.04 Enforcement

In addition to, and/or exercise of, any and all lawful remedies, violations of this section shall result in the following penalties:

First Violation:

Written warning from District that further violation will result in possible water restrictions and imposing of fines.

Second Violation:

Customers water service shall be restricted by a device installed by the District for a period of thirty days and the device will be removed upon payment of a $200.00 penalty.

Third Violation:

Customers water service shall be restricted to life line or life sustaining rates by a device installed by the District. The device shall remain in place until the Board of Directors repeals the state of emergency or threat of emergency or shortage and upon payment of $500.00 penalty.

12.05 Variances

Variances may be granted from any of the above regulations upon application in writing stating in detail the circumstances meriting special consideration. Appeals of decisions by the General Manager may be taken to the Board of Directors.

12.06 Low Water Use Plumbing Fixtures Required

All applicants for new water service connections for new construction shall be required to furnish proof of installation in residential, commercial and/or industrial buildings, ultra low flow toilets with a maximum tank size or flush capacity of 1.6 gallons and shower heads with a maximum flow capacity of 3 gallons per minute.

12.07 Water Conserving Landscape Requirements

All applicants for new or amended water service connections for governmental, public, commercial or industrial premises shall be required to utilize California native plant materials or approved low water demand plant materials in landscaping designs.

TUD Water Supply/Public Outreach
2011-2012

Timeline

December 7 – TUD Board of Directors consider new water rate proposal which modifies and adds multiple tiers to encourage water conservation.

January 6 – TUD requests that PG & E turn down water in ditch system to 14 CFS. Rainfall and snow totals are very low. There is concern that Lyons Reservoir may not fill.

January 9 – Management decision made that no agricultural ditch customers can request early release of water to their ditch connection. Some Agriculture customers ask to turn their service on prior to April 1 however, per the contract agreements, these requests are not granted.

January 10 – TUD Issued news release about forecasting of water prediction, low to little snowpack

January 11 – The Union Democrat newspaper ran a full front page article about TUD's water outlook – "Water Officials Preparing for Worst". The District looking at issuing water conservation measures in the coming months.

January 19 – After discussions with TUD, PG & E turned off the Philadelphia Ditch which leads water to their Spring Gap Powerhouse hydroelectric facility. This action was based on concerns of a dry winter and that Lyons Reservoir may not fill as conditions were not that far off from 1977 conditions. This is an unusual condition. TUD accumulates Supplemental Supply as a result of this action and supplemental supply is not normally accumulated until Lyons reservoir is supplemented around Labor Day.

January 27 – PG & E turns down the Main Canal down to 12 CFS. Then on January 29th, lowered to 9 CFS below system demand using what water is in the creeks to help supplement water. This action was based on concerns of a very dry winter, and that Lyons Reservoir may not fill. Again, conditions appear like they were in 1977.

February 8 – PG & E Main Canal lowered to 7 CFS. This action was based on concerns of a very dry winter, and that Lyons Reservoir may not fill. Again conditions appear like they were in 1977.

February 15 – TUD is guest speaker on Mother Lode Views, an informational news program on the local radio stations, AM1450 KVML, 92.7 KZSQ, and 93.5 KKBN. Topics included a segment on urging customers to conserve water.

Conditions improve and by March 19, it is clear that Lyons and Pinecrest will fill and PG&E resumes normal operations (increased flows to Phoenix and Spring Gap power houses). In effect, the water supply status now "resets". The reservoirs will fill. The next critical condition will be whether there is an early end of spill. TUD estimates end of spill to occur early June.

March 1 – TUD calls for Phase II Water Conservation measures. News release issued and story covered in Union Democrat newspaper and MyMotherlode.com/internet news source.

Under Phase II Water Conservation

- All TUD field vehicles place magnetic signs urging conservation – "Every Drop Counts" campaign.
- Top water users from the previous year are sent letters requesting water use be reduced.

- Water conservation urged and included as a billing insert with instructions on how to conserve to all water customers.
- Restaurant owners are sent a letter requesting they only serve water upon request.
- Wholesale customers are sent a letter to ask them to have their customers institute water conservation measures.
- Special raw water/agriculture customers notified of water supply and water shortages.

March 17-18 – TUD participates in Home and Garden Show in Sonora to expand public outreach on ways customers can practice water conservation at their home or business.

March 27 – TUD Board of Directors are updated on water supply outlook. Snow pack well below normal, early end of spill predicted.

April 16 - TUD Board of Directors are updated on water supply outlook. Snow pack well below normal, early end of spill predicted.

April 25 – Union Democrat news story, "Water District" braces for dry season. Snow pack measured at 50% of normal for this time of year.

May 23 – TUD Board of Directors are notified of current water supply forecast at Board meeting on May 22, 2012. Union Democrat reports story on the front page, "Water Woes Aired", the District is facing serious drought conditions.

May 30 – Pinecrest Lake Level Study Board workshop and how this relates to TUD's water supply. Meeting held at TUD's Board room. The local newspaper and local interest were present.

June 9 – TUD plans to hold a "Save Water, Save Money" event. TUD in a partnership with the University of California Agricultural and Natural Resources Program wants to show you how you can conserve water inside and outside your home and reduce your water bill at the "Save Water, Save Money" event.

July 7 – Master Gardeners workshop updating the water supply outlook for the summer and the District's relationship with PG & E.

Attachment 4

GN-03-01-015
FILED
June 27, 1983
ROBERT W. ANDRE
County Clerk
By
Deputy

PURCHASE AGREEMENT

The parties to this Agreement are PACIFIC GAS AND ELECTRIC COMPANY, a corporation, whose offices are located at 77 Beale Street, San Francisco, California, 94106, referred to hereafter as "PGandE," and COUNTY OF TUOLUMNE, a government agency hereafter referred to as "County." The business address for County for purposes of this Agreement shall be 2 South Green Street, Sonora, California 95370.

RECITALS

PGandE is the owner of the Tuolumne Water System ("System") located in Tuolumne County, California. County wishes to purchase and operate this System and will assume PGandE's public utility obligations in connection with the System. The parties therefore agree as follows:

1. PURCHASE AND SALE. County hereby agrees to purchase from PGandE and PGandE hereby agrees to sell to County the Tuolumne Water System, hereafter referred to as "System," as follows:

(a) The System, located in Tuolumne County, California, as more particularly described in Exhibit A attached hereto and made a part hereof, including additions and betterments to the System up to the Closing Date.

(b) The lands of PGandE relating to the System, commonly referred to as "System Fee Land," as described in Exhibit B attached hereto and made a part hereof.

(c) All franchises, certificates of public convenience and necessity, permits, licenses, contracts, easements, and similar rights and privileges ("permits and licenses") necessary for the operation of the System which are owned or possessed by PGandE on the Closing Date; provided, that permits and licenses which by statute cannot be transferred or the transfer of which is prohibited by the California Public Utilities Commission or other lawful authority, shall not be conveyed.

(d) All System inventories of raw materials, chemicals, hydrants, supplies, finished products, work in process, meters, accessories and measuring equipment carried on the books of PGandE as of the Closing Date.

(e) Certain water rights solely for consumptive use associated with the System, as more particularly described in Exhibit C attached hereto and made part hereof.

(f) All System land improvements, storage tanks, treatment plants, buildings, machinery and equipment,, miscellaneous tools, and construction work in progress owned by PGandE on the Closing Date.

(g) Automotive and construction equipment more particularly described in Exhibit D attached hereto and made a part hereof.

PGandE's Main Tuolumne Canal and other facilities subject to Federal Energy Regulatory Commission Project No. 1061 shall be retained by PGandE.

2. PURCHASE PRICE. The total purchase price for all of the assets described in Article 1 shall be Nine Hundred Thousand Dollars ($900,000.00). One Hundred Fifty Thousand Dollars ($150,000.00) of said purchase price shall be paid in cash as a down payment. The balance of the purchase price shall be paid annually in cash installments of Seventy-Five Thousand Dollars ($75,000.00) on the anniversary of the Closing Date as defined in Article 3 for each of the 10 years following the Closing Date.

At least two business days prior to the Closing Date, County shall establish an escrow account at Yosemite Title Insurance Company, 208 South Washington Street, Sonora, California ("purchase escrow") and shall deposit therein (i) the $150,000.00 cash down payment, and (ii) an executed promissory note in favor of PGandE in the amount of $750,000.00, which promissory note shall be substantially in the form annexed hereto as Exhibit E. In order to secure payment of said promissory note, County shall also execute and deposit in the purchase escrow at least two business days prior to the Closing Date a Deed of Trust encumbering the System, which Deed of Trust shall be substantially in the form annexed hereto as Exhibit F.

Failure of County at any time to comply with the terms of this Article 2 shall immediately excuse PGandE from further performance of its obligations under this Purchase Agreement.

3. CLOSING DATE. PGandE and County shall choose a Closing Date, which shall be within sixty days after the California Public Utilities Commission has given its final and unconditional approval to PGandE to sell the System pursuant to this Purchase Agreement. On the Closing Date, the escrow agent named in Article 2 shall (i) deliver to County quitclaim deeds and other documents of title relating to the real and personal property described in Article 1, (ii) deliver to PGandE the Promissory Note and Deed of Trust referred to in Article 2, and (iii) release to PGandE the $150,000.00 cash down payment less PGand E's share of escrow fees as provided in Article 15.

If the Closing Date is subsequent to August 1, 1983, then PGandE shall pay to County the County's reasonable Water System related expenses (labor, benefits and administration) incurred between August 1, 1983, and the Closing Date. Payment shall be made in the form of a credit against the down payment.

4. ACCOUNTS RECEIVABLE AND DEPOSITS.

(a) PGandE shall use its normal 21 day billing and meter-reading cycle to render closing bills for water service provided to System customers by PGandE. Said final billing cycle shall be deemed to commence 10 days before the Closing Date chosen pursuant to Article 3 and to end 10 days thereafter. Accounts receivable for water service provided during the 10 day period after the Closing Date shall remain the property of PGandE. PGandE shall provide County with copies of all meter readings made during the final billing cycle. Credit deposits held by PGandE that provide security for payment of water bills shall be applied to the closing bills for water service provided by PGandE, and PGandE shall refund to each System customer the amount by which such customer's credit deposit exceeds such customer's closing bill.

(b) County shall assume and perform the obligations of PGandE under all water main extension agreements relating to the System to which PGandE is a party on the Closing Date. A list of such agreements as of the date of this Purchase Agreement is annexed hereto as Exhibit G. At least two days prior to the Closing Date, PGandE shall execute and deposit in the purchase escrow assignments of all PGandE's rights under such water main extension agreements, except the rights to funds advanced to PGandE to cover the cost of constructing water main extension facilities. Such funds shall remain the property of PGandE, except for PGandE's obligation under Article 4(c) to reimburse County for refunds made pursuant to the water extension agreements assumed hereunder.

(c) County shall make refunds when due in accordance with the terms of the agreements assumed pursuant to Article 4(b) of the Purchase Agreement. After any such refund has been paid, County may request reimbursement therefor from PGandE. Within 30 days after the submission of proof satisfactory to PGandE that such refund has been paid, PGandE shall reimburse County for the amount of such refund. PGandE shall not be liable to reimburse County in any

amount greater than the refund actually due under the terms of the applicable water main extension agreement.

(d) PGandE shall supply County within sixty (60) days after the Closing Date with an accounting of the deposits under all water main extension agreements relating to the System, including amounts refunded and remaining to be refunded. PGandE shall at the same time furnish County with copies of all such water main extension agreements.

5. ASSUMPTION OF PUBLIC UTILITY OBLIGATION. On the Closing Date, County shall undertake the distribution of Water from the System. On the Closing Date, PGandE shall be relieved of all of its public utility obligations in connection with the System, and County shall assume and perform the same, including PGandE's obligations under all contracts, leases, permits, licenses, grants of rights of way, or other things transferred pursuant to this Purchase Agreement. PGandE shall provide a complete list and copies of such items to County at least 30 days prior to the Closing Date.

6. DELIVERY OF POSSESSION: DESTRUCTION OR DAMAGE TO PROPERTY PRIOR TO CLOSING.

PGandE shall deliver the System to the County on the Closing Date in an "as is" condition. PGandE shall continue to inspect, repair and maintain the System in its normal operating condition prior to the Closing Date, and shall complete without cost to County any repairs PGandE has undertaken prior to the Closing Date. PGandE makes no warranties express or implied as to the condition of the System on the date of this Purchase Agreement or on the Closing Date.

If, on the Closing Date, the buildings, machinery, equipment, and other tangible property to be conveyed pursuant to this Purchase Agreement shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of PGandE, to an extent which substantially affects the value of the

property to be conveyed, County shall have the right at its election either to complete or not complete the purchase. If County elects to complete the purchase, it shall be entitled to all insurance proceeds in excess of amounts for which PGandE is self-insured collectible by reason of such loss or damage. If County elects not to complete the purchase, County shall have the right, which shall be in lieu of any other right or remedy of County whatsoever, to terminate this Purchase Agreement, in which event all parties shall be released from liability hereunder. If such loss or damage does not substantially affect the value of such property, County shall complete the purchase but shall be entitled to all insurance proceeds in excess of amounts for which PGandE is self-insured collectible by reason of such loss or damage. Loss or damage shall be considered to affect substantially the value of property within the meaning of this paragraph if the book value of the assets so lost or damaged exceeds ten (10%) percent in book value of all such assets.

7. SUPPLY OF WATER.

Pursuant to the provisions set forth in this Article 7 and Exhibit H to this Purchase Agreement, PGandE will provide County after the Closing Date with a base supply and a supplemental supply of water for the System. County acknowledges that the water PGandE will deliver pursuant to this Agreement is untreated water, which PGandE considers unpotable.

(a) Use of Water

Except as the parties may otherwise agree in the writing, County may use the base and supplemental supply of water only for the following purposes:

(1) Consumptive uses (e.g. domestic, irrigation, industrial, manufacturing and others) as set forth in PGandE's tariffs existing at the time of execution of this Agreement and on file with the CPUC;

Powerhouse, such portion of the flow may be spilled at County's request past such powerhouse.

From time to time PGandE shall, upon request of County, change the rates of flow at the delivery points identified in subsection (d)(1) and (d)(2) up to the maximum capacities of the delivery facilities at such delivery points for the purpose of meeting County's requirements; provided that (i) any such request shall be made at least 24 hours in advance of the desired change, (ii) no such change shall be made for less than 24 hours unless County compensates PGandE for any increased costs PGandE may incur in making such change, (iii) PGandE shall not be required to make any such change on any legal holiday or during any non-work time of PGandE's ditch patrolmen unless County compensates PGandE for any increased costs PGandE may incur in making such change, and (iv) all requests from County for changes in the rates of flow at said delivery points shall be directed to PGandE's Angels Switching Center.

(e) Operational Periods

After the Closing Date, County and PGandE shall engage to the maximum extent practicable in coordinated operation of the System and the Phoenix Power Project, respectively. During days when Lyons Reservoir is not full, not spilling or not forecast to spill ("irrigation periods"), PGandE's Main Tuolumne Canal and Phoenix Powerhouse shall be operated to meet the consumptive demands of the System on schedules provided by County to PGandE. During such irrigation periods County shall take all practical steps to minimize losses and spill from the System, and PGandE shall take all practical steps to minimize losses and spill from the Main Tuolumne Canal and Phoenix Powerhouse and penstock. During the days when Lyons Reservoir is spilling or is forecast to spill ("power

periods"), PGandE shall have the right to operate the Main Tuolumne Canal and Phoenix Powerhouse for power production purposes without reference to schedules applicable during irrigation periods, but County shall have the right to utilize the full flow remaining in the System after power production by PGandE for consumptive and power uses.

The determination as to whether an operational period is an irrigation period or a power period shall be made jointly by County and PGandE based on forecasts of the natural flow above Lyons Dam made from time to time by either party or by other generally accepted sources in California. In addition, County and PGandE shall consult each other at least annually with respect to water conditions and plans which may impact their coordinated operations or the individual operations of either party.

(f) Charges and Credits

(1) Base Supply

In any calendar year in which PGandE delivers water to County at the delivery points upstream of Phoenix Powerhouse specified in subsection (d)(1) of this Article in an amount greater than 10,000 acre-feet, County shall pay PGandE $54.00 for each such extra acre-foot to the extent such excess water could have been used for power production purposes at PGandE's Phoenix Powerhouse. In any calendar year in which PGandE delivers water in an aggregate amount less than 6,500 acre-feet to County at such delivery points, PGandE shall credit County at the rate of $27.00 for

each acre-foot less than 6,500 which was actually used by PGandE for power production at Phoenix Powerhouse. The aforesaid charge and credit rates shall be subject to annual adjustment in proportion to periodic changes in power values as established by the California Public Utilities Commission and paid to small power producers.

(2) Supplemental Supply

In any calendar year in which the supplemental supply of water delivered by PGandE to County exceeds the amount of free supplemental water applicable in such year pursuant to Exhibit H, County shall pay PGandE $160.00 for each additional acre-foot of water delivered that could otherwise have been used by PGandE for power production purposes at Spring Gap and Stanislaus Powerhouses. In any calendar year in which the supplemental supply of water delivered to County by PGandE is less than that applicable under Exhibit H, PGandE shall credit County at the rate of $80.00 for each acre-foot less than that applicable under Exhibit H to the extent such water was used by PGandE for power production purposes. The charge and credit rates shall be reduced 50 percent for each powerhouse (Spring Gap and Stanislaus) during periods when either or both is out of service or incapable of utilizing such water. The aforesaid charge and credit rates shall be subject to adjustment in proportion to periodic changes in power values as established by the California Public Utilities Commission and paid to small power producers.

(g) Measurement

(1) Base Supply

Water delivered by PGandE to County pursuant to Article 7 shall be measured at PGandE gages S22 (at the head of the Section IV Ditch) and S21 (at the head of the Columbia Ditch) and at County's meters serving its customers along PGandE's Main Tuolumne Canal. To facilitate water accounting PGandE shall install, operate and maintain recording devices at gages S21 and S22, and County shall provide PGandE with a summary of deliveries to County's customers served from the Main Tuolumne Canal within 20 business days after the meters serving such customers have been read.

(2) Supplemental Supply

Water delivered by PGandE pursuant to Article 7 and Exhibit H shall be measured at PGandE's gage S83 below its Philadelphia Diversion Dam. Such deliveries shall be deemed not to include PGandE's required fish water releases, spilled water and other operational releases not made at County's request.

(h) Miscellaneous Provisions

County agrees that except as specified in Article 1(e) of this Purchase Agreement and Exhibit C, neither this Purchase Agreement nor anything done by PGandE hereunder shall be deemed to constitute a grant or dedication to County of any water or land to which PGandE has vested rights, or to vest any right or easement in County whatsoever against PGandE other than as herein provided; nor shall any of the

provisions of this Purchase Agreement be construed to deprive PGandE of any rights it has heretofore acquired.

County agrees never to assert, and does bind its successors and assigns never to assert, a claim for water for use in the System under riparian or other right for consumptive purposes or otherwise against PGand E, its successors or assigns beyond that specified in this Article 7, nor shall County file with the California State Water Resources Control Board, its successor or any other state agency, any application to appropriate water for use in the System to which use PGandE is presently vested. Nothing in this Purchase Agreement shall be construed to prevent County from filing or otherwise seeking the lawful appropriation of surplus water or developing the County's entitlement of water from New Melones Reservoir.

PGandE shall use due deligence in delivering water as provided in this Article 7, but shall not be liable for curtailments of delivery caused by acts of God, labor disturbance, accident, fire, actions or decisions by any governmental agency, officer or court, or other conditions beyond PGandE's reasonable control. PGandE shall defend against any claim affecting the amount of base and supplemental water that PGandE is obligated by this Agreement to deliver to the System. If PGandE is legally unable to deliver the amount of water required under this Agreement, and if County determines it necessary to meet the consumptive needs of the System, then County may exercise a corresponding portion of its New Melones entitlement through use in the System.

PGandE shall not be liable for curtailments of delivery that are necessary for the construction and maintenance of canals, flumes, reservoirs and other facilities owned by PGandE upon which County is dependent for its water supply, provided County is given fourteen (14) days notice thereof. PGandE shall endeavor to limit its construction and maintenance on such facilities to a maximum of five (5) consecutive days.

County shall be solely responsible for providing sufficient standby storage in the locations and quantity deemed necessary by County to supply the System needs during periods or water delivery curtailments.

8. PAYMENT FOR WATER; REMEDIES FOR FAILURE TO PAY.

(a) On or before April 1 of each calendar year, PGand E shall bill County for water delivered from January 1 to December 31 of the preceding calendar year, and shall credit County in accordance with Article 7 for water conserved by County during such calendar year. County shall pay each such bill (and PGandE shall pay County by check accompanying the bill in the event credits to County exceed amounts owed by County) within 60 days after the date of mailing of such bill. Failure of PGandE to bill County as aforesaid shall not constitute a waiver of PGandE's right to payment for water delivered pursuant to Article 9, nor shall it excuse County from paying any bill within 60 days after the date on which such bill is actually mailed. In the event County fails to pay any bill within 60 days after it is mailed and does not invoke the bill dispute resolution procedures set forth in Section 8(b) below within 45 days

after such bill is mailed, PGandE may, without liability to County and without such action being deemed to constitute a waiver or election of remedies, curtail deliveries of water made pursuant to Article 7 to amounts necessary to serve the basic needs of County's residential customers. In the event of such curtailment by PGandE, either party to this Purchase Agreement may request arbitration pursuant to the procedures set forth in Article 9 hereof. County agrees to indemnify and hold PGandE and its officers, directors, agents and employees harmless against any and all claims, debts, liabilities or causes of action based upon or arising out of said curtailments of water deliveries, and to defend at County's expense any suit brought on account thereof.

(b) In the event of a billing dispute between County and PGandE, County shall be entitled, upon giving written notice delivered to PGandE within 45 days after mailing of the bill, (1) to inspect PGandE's metering and billing records for the System, and (2) to demand that any one or more facilities for recording water deliveries ("metering facility") be tested. If a metering facility is found upon testing to be overreading by more than 5%, PGandE shall credit County for the overcharge based on the corrected meter readings for the period in which the meter was in use, not to exceed six months, unless it can be conclusively established that the error was due to some cause, the date of which can be fixed. In such case the overcharge shall be computed back to but not beyond such time. If a metering facility is found upon testing to be under-reading by more than 5%, PGandE may render to County a bill for water consumed but not billed for a period of up to six months, or a lesser time if the actual period of error can be determined with certainty. In the event that inspection of records and testing of metering facilities as aforesaid does not resolve the billing dispute, the matter shall be settled by arbitration. In such event, County shall pay to PGandE the portion of the bill not in dispute, and shall

deposit the disputed amount with the arbitrators appointed pursuant to the procedures set forth in Article 9.

9. ARBITRATION.

In the event that (1) deliveries of water are curtailed because of failure by County to pay a bill rendered pursuant to Article 8, (2) a billing dispute between the parties cannot be settled by means of the bill dispute resolution procedures set forth in Article 8, (3) a dispute arises between the parties under subsections (f)(1) or (f)(2) of Article 7 as to whether water could have been used or was used by PGandE for power generation, or (4) the parties are unable to agree on any adjustments to the methodology for the supply of supplemental water as specified in Exhibit H, either party to this Purchase Agreement may request arbitration of such issue by giving written notice of such request to the other party. Each of the parties shall, within 30 days after giving or receiving of such written notice, appoint one arbitrator. If either party fails to appoint an arbitrator within such time, such arbitrator shall be appointed by a Superior Court of the State of California in accordance with the California Code of Civil Procedures. At any time that either arbitrator concludes that agreement between the two arbitrators thus appointed cannot be reached, the two arbitrators shall appoint a third arbitrator or, if they cannot agree upon a third arbitrator, such third arbitrator shall be appointed by said Superior Court in accordance with said Code. A decision by two of the arbitrators shall be binding on the parties. If a decision cannot be reached within 90 days after appointment of the third arbitrator, on written notice by either party to the other, the arbitrators' authority shall terminate and either party may submit the matter to an appropriate court for decision. Each party shall bear the expenses and fees of the arbitrator appointed by it and its own expenses in the arbitration. The expenses and fees of the third arbitrator and all other expenses of arbitration shall be born equally by PGandE and County.

10. OPERATION AND MAINTENANCE.

(a) After the Closing Date, County shall provide at its sole expense any conduits, ditches, pipelines, reservoirs, storage tanks, distribution mains, or other facilities necessary for receiving, pumping, treating, storing, conveying or distributing water beyond the delivery points specified in Article 7, and shall be solely responsible for the effective operation, maintenance and repair of the System.

(b) County shall maintain for a period of ten (10) years after the Closing Date a combination of insurance or self-insurance for comprehensive general liability in an amount not less than $2,000,000 combined single limit or equivalent. Such insurance shall cover bodily injury, personal injury and property damage arising out of the operation, maintenance or use of the System by County. Such insurance shall include coverage for premises-operations, owners and contractors protective, contractual liability and products/completed operations.

Any policy of insurance (not County's self-insurance) obtained by County pursuant to this section shall name PGandE as an additional insured, shall contain a severability of interest clause, shall provide that PGandE shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium and shall provide a 30-days written notice to PGandE prior to cancellation, termination, alteration or material change of such insurance. Any such insurance policy shall also state that the coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by PGandE. PGandE shall have the right upon request to inspect or obtain a copy of any such policy of insurance. County shall furnish PGandE with all required certificates of insurance and endorsements within 45 days after the Closing Date. All insurance certificates, en-

dorsements, cancellations, terminations, alterations or material changes shall be issued and submitted to:

PACIFIC GAS AND ELECTRIC COMPANY
Attention: Manager of Insurance
77 Beale Street, Room E280
San Francisco, CA. 94106

11. MAIN TUOLUMNE CANAL SERVICES

(a) The Main Tuolumne Canal shall remain the property of PGandE, but after the Closing Date existing irrigation and resale water customers served directly from said canal shall be deemed to be customers of County. Facilities used to serve such customers (including outlet screens, piping, valves and metering devices) shall be conveyed by PGandE to County on the Closing Date. County shall make no change in said service facilities without the written consent of PGandE. After the Closing Date, County may furnish increased water service to existing retail or new or existing resale customers served from the Main Tuolumne Canal, but shall not accept new retail customers who would be served thereby.

(b) County shall attempt to schedule all replacement or maintenance of service facilities conveyed pursuant to section (a) so as to coincide with PGandE's annual maintenance of the Main Tuolumne Canal. If it is necessary to cut through the canal berm in order to install or replace service pipe, such work shall be done either by PGandE at County's expense, or by County in accordance with PGandE's specifications and subject to PGandE's approval. PGandE shall have the right at any time to make necessary repairs to service outlets at County's expense if, in PGandE's sole judgment, reasonably exercised, the condition of the outlet poses a hazard to the stability of the Main Tuolumne Canal or is otherwise unsafe.

12. RECORDS/ASSISTANCE.

In order to facilitate the training of County's personnel to operate the System, PGandE agrees to provide:

(a) Training and assistance to the County's staff in all phases of System operation for a three-month period prior to the Closing Date, and for six months thereafter; and

(b) Up to 30 man-days of computer consulting service to assist the County in developing a billing program (and other management data as time permits). PGandE will provide the initial input billing file in accordance with the County's specifications.

PGandE shall supply guideline instructions covering operation, maintenance and administration of the System. County agrees that the personnel selected by it for training shall remain with and be under the supervision of PGandE employees at all times up to the Closing Date, and that PGandE shall not be responsible for the conduct or safety of such personnel. County agrees to indemnify and to hold PGandE and its officers, directors, agents and employees harmless against any and all claims, debts, liabilities or causes of action based upon guideline instructions or training furnished by PGandE pursuant to this Article 12, or involving death or injury to persons or property arising out of any act of personnel selected by County for training pursuant to this Article 12. County agrees to defend upon PGandE's request any suit asserting a claim covered by the foregoing indemnity. County waives and releases PGandE and its officers, directors, agents and employees from any and all claims, debts, liabilities or causes of action that County may hereafter have arising out of or based upon guideline instructions or training furnished by PGandE pursuant to this Article 12. PGandE shall make available to County information and records relating to the operation, maintenance and administration of the System.

13. CONVEYANCE OF THE SYSTEM.

Within a reasonable period after execution of this Purchase Agreement, PGandE and County shall jointly file with the California Public Utilities Commission ("Commission") an application for an order authorizing PGandE and County to carry out the terms of this Purchase Agreement without condition. PGandE and County shall prosecute such application with reasonable diligence; provided, however, that if the Commission or any member of its staff asserts that the application is deficient in any respect, and such deficiency cannot, with reasonable effort, be cured within 90 days after notice thereof, either party may unilaterally terminate the application, in which case each party shall be excused from further performance of its respective obligations under this Purchase Agreement. In no event shall either party incur any liability to the other if the Commission fails to grant the order requested in such application.

Within forty-five (45) days after the Commission has approved without condition the sale of the System to County pursuant to the terms of this Purchase Agreement, PGandE shall furnish County with evidence of title to the System. County shall have ten (10) working days within which to inspect said evidence of title and to inform PGandE whether the same is satisfactory to County. In the event County informs PGandE within said 10 day period that the aforesaid evidence of title is unsatisfactory, each party shall be excused from further performance of its respective obligations under this Purchase Agreement. In the event County does not inform PGandE as aforesaid that title to the System is unsatisfactory, PGandE shall deposit in the purchase escrow for conveyance to County a quitclaim deed as to fee lands subject to:

(a) The lien of current real property taxes not delinquent;

(b) The lien of PGandE's First and Refunding Mortgage;

(c) Easements for existing PGandE transmission and distribution facilities for electricity, gas, telephone or water, if any;

(d) All valid and existing contracts, leases, licenses, easements, encumbrances, and claims of title whether recorded or not;

(e) Nonexclusive right of way on any existing roads for access to PGandE's facilities.

In addition to such quitclaim deed, PGandE shall also deposit an assignment of all rights of way and easements for the canals and ditches. After the Closing Date, PGandE will immediately take all steps necessary to secure release of the real property of the System from PGandE's First and Refunding Mortgage. PGandE shall be entitled to reserve without charge in the quitclaim deed to be provided to County (i) easements necessary for the installation and reading of meters used to determine the amount of water delivered pursuant to Article 7, and (ii) non-exclusive easements for existing PGandE transmission and distribution facilities for electricity, gas, telephone or water, if any.

14. DEFENSE AGAINST SUIT.

In the event any action of proceeding seeking to prohibit sale of the System pursuant to this Purchase Agreement is brought before the Commission or in a court of competent jurisdiction, each party shall bear its own attorneys fees, court costs, and other expenses in defending said action.

15. CLOSING COSTS.

Real property taxes and assessments encumbering the System shall be prorated between PGandE and County as of the Closing Date. PGandE shall pay for documentary transfer taxes or other taxes with respect to property transferred by it. Recording costs shall be paid by the County. Title insurance premiums

on the System, if any, shall be paid by County. PGandE and County shall each pay one-half of any fees charged by the escrow holder identified in Article 2.

16. FAILURE TO OBTAIN COMMISSION APPROVAL.

In the event that the Commission declines to approve without condition the sale of the System pursuant to the terms of this Purchase Agreement, each party shall be excused from performance of its respective obligations hereunder.

17. PERMITS.

County shall promptly obtain all necessary permits required for the sale and distribution of water from the System, including operating permits from the State of California, Department of Health. PGandE agrees to notify the California Department of Health and the State Division of Safety of Dams of the pending transfer.

18. RISK OF LOSS.

Except as provided in Article 6 all risk of loss or injury or destruction to any and all of the System properties shall be upon PGandE at all times prior to the Closing Date. On and after the Closing Date, all risk of loss or injury or destruction to any and all such properties shall be upon the County.

19. ENTIRE AGREEMENT; MODIFICATION.

This Purchase Agreement constitutes the entire agreement of the parties, which may be modified only upon mutual written consent.

20. NO REPRESENTATIONS BY PGandE; RELEASE.

In the negotiations of this Purchase Agreement, PGandE has not furnished any legal, tax, engineering or other professional advice to County or its authorized agents or attorneys. County acknowledges that it has not relied upon any representations other than those set forth herein in deciding to enter into this Purchase Agreement, and County expressly waives and releases PGandE and its

officers, directors, agents and employees from any and all claims, debts, liabilities or causes of action based upon or arising out of alleged misrepresentations of failure to disclose material facts in the negotiations of this Purchase Agreement.

21. INDEMNIFICATION.

In addition to the indemnity set forth in Article 12, County shall indemnify PGandE, its officers, directors, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of person, including but not limited to, employees of PGandE or County, arising out of the operation, maintenance or repair of the System by County after the Closing Date. County shall, on PGandE's request, defend any suit asserting a claim covered by this indemnity. County shall pay all costs that may be incurred by PGandE in enforcing this indemnity, including reasonable attorney's fees.

PGandE shall indemnify County, its officials, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of person, including but not limited to, employees of County or PGandE, arising out of the operation, maintenance or repair of the System by PGandE prior to the Closing Date. PGandE shall, on County's request, defend any suit asserting a claim covered by this indemnity. PGandE shall pay all costs that may be incurred by County in enforcing this indemnity, including reasonable attorney's fees.

22. CAPTIONS AND ARTICLE HEADINGS.

Captions and Article headings used herein are for convenience only and are not a part of this Purchase Agreement and shall not be used in construing it.

23. NOTICES.

Notices required or allowed to be given this Purchase Agreement by

County shall be given to PGandE's Stockton Division Manager at PGandE's office in the City of Stockton, or to such other agents or representatives of PGandE as PGandE or its said Division Manager may from time to time designate in writing. Notices required or allowed to be given under this Purchase Agreement by PGandE shall be given to County's Administrative Officer at County's office in the City of Sonora, or to such other agents or representatives of County as County or its Administrative Officer may from time to time designate in writing.

24. In the event that the decision of the Board of Supervisors to enter into this Agreement is reversed by a higher authority, then, subject to any required PUC approval, the System shall be returned to PGandE and the down payment shall be returned to County. Neither party shall incur any additional liability to the other.

DATED this 3rd day of June, 1983.

IN WITNESS WHEREOF, the parties hereto have subscribed this contract by their officers thereunto duly authorized.

TUOLUMNE COUNTY

By _____
Chairman of the Board of Supervisors

and

By _____
Clerk of the Board of Supervisors

PACIFIC GAS AND ELECTRIC COMPANY

By _____
~~Vice President, General Services~~
Senior Vice President-Operations

and

By _____
Assistant Secretary

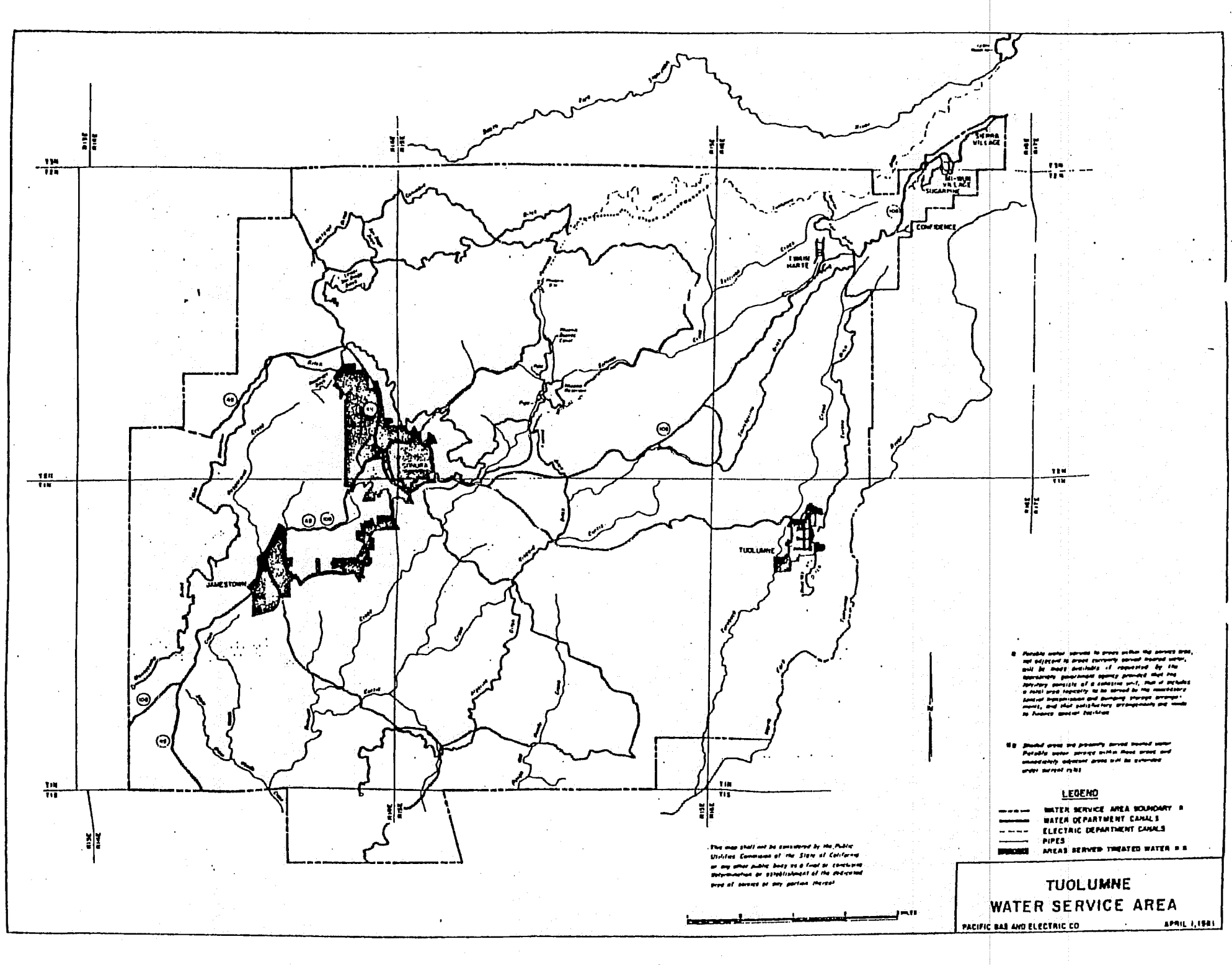

SIERRA VILLAGE
SUGARPINE
CONFIDENCE
TWAIN HARTE
TUOLUMNE
JAMESTOWN
LEGEND
WATER SERVICE AREA BOUNDARY
WATER DEPARTMENT CANALS
ELECTRIC DEPARTMENT CANALS
PIPES
AREAS SERVED TREATED WATER
TUOLUMNE
WATER SERVICE AREA
PACIFIC GAS AND ELECTRIC CO
APRIL 1, 1981

EXHIBIT A

EXHIBIT B

SYSTEM FEE LAND

	Name	Acreage	APN	SBE
1.	O'Neil Reservoir	3.654	58-01-13	135-55-20A-1&2
2.	Saratoga Acres Water Tank	.187	35-13-29	135-55-22-1
3.	Saratoga Acres Booster Pump	.017	35-14-4	135-55-12-1
4.	Jamestown Reservoir	2.32	3-25-4, 5&6	135-55-2-1&2
				145-55-3-8
5.	Sonora Water Treatment Plant	4.804	44-14-08	135-55-21-1
6.	Sonora Water 3 M.G. Storage Tank	1.00	44-43-02	135-55-26-1
7.	Kincade Reservoir	10.5	None	145-55-1-19
8.	Phoenix Dam	5.706	45-03-49	135-55-35B-1
9.	Part of Phoenix Reservoir	.045	45-03-34	135-55-16B-1
10.	Tuolumne Water Treatment Plant	15.75	9-15-4&5	135-55-25A-1,2&3
			62-06-26	

WATER RIGHTS INCLUDED IN THE SALE OF THE TUOLUMNE WATER SYSTEM

Name	Stream/Ditch	Location	Amount	Priority	Statement #	Remarks
Diversion Rights						
Phoenix Ditch	Sullivan Creek	S28, T2N, R15E	20 CFS	1852	S996	
Kincaid Ditch	Curtis Creek	S9, TIN, R15E	7.5 CFS	1866	S1007	
Algerine Ditch	Curtis Creek	S9, TIN, R15E	5 CFS	1852	S10403	-- Original appropriat was 10 CFS; Ditch
Table Mountain Ditch	Mormon Creek	S22, T2N, R14E	5 CFS	1852	S10402	capacity is 5 CFS
Storage Rights						
Phoenix Reservoir	Sullivan Creek	S28, T2N, R15E	850 AF	*1852	S997	
Blue Gulch	Algerine Ditch	S1, T1S, R14E		p1876		
Kincaid	Kincaid Ditch	S9, T1N, R15E		1866	--	Regulating reservoirs possibly having identifiable pre-1914 rights for which PGandE has not filed Statements of Water Diversion and use with the Calif. Water Resources Control Board. The reservoirs are classified as regulating rather than storage reservoirs since it is unlikely that the same water is ever impounded for more than 30 days.
Matelot	Columbia Ditch	S1, T2N, R14E		1853		
O'Neil	Table Mt. Ditch	S4, T1N, R14E		p1856		
West Side	Eureka Ditch	S8, T1N, R16E		*1900?		
Slum Dam	Shaws Flat Ditch	S22, T2N, R14E		1853		

p - Reservoirs purchased in that year but likely built and used in years prior.
* - Dam rehabilitated in 1982.
** - Reservoir rebuilt in 1931 and 1970.

Ex. 5

EXHIBIT D

COMPANY EQUIPMENT TO BE INCLUDED IN THE SALE

	Vehicle No.	Year/Make	Use
1.	8-5947	'82 Chev.	Ditch Tender - ½ ton
2.	8-2514	'78 Ford	Ditch Tender - ½ ton
3.	8-5196	'77 Chev.	Ditch Tender - 4 x 4
4.	8-1316	'80 Courier	Wtr. Tmt. Plt. Operator
5.	8-6272	'73 Dodge	Ditch Service - 4 x 4
6.	8-A772	'79 Ford	Town Service - 3/4 ton
7.	8-9854	'72 Dodge	6-Man Crew Cab
8.	8-8492	'65 Ford	Crew Truck w/compressor
9.	8-5774	'81 Courier	G. F. Truck

EXHIBIT E

PROMISSORY NOTE

$750,000.00 Dated:

In installments and at the times hereinafter stated, for value received, COUNTY OF TUOLUMNE (buyer) promises to pay to Pacific Gas and Electric Company (PGandE) or order, at 77 Beale Street, San Francisco, California 94106, the principal sum of Seven Hundred Fifty Thousand and 00/100ths Dollars ($750,000.00) in ten annual installments of Seventy Five Thousand and 00/100ths Dollars ($75,000.00) beginning twelve months from the date hereof and annually thereafter until the entire amount of the principal sum shall be paid.

At any time, the privilege is reserved to pay more than the sum due. Each payment shall be credited towards the remainder of the principal sum.

Should default be made in the payment of any of said installments when due, then the whole sum of the remaining principal shall become due and payable at the option of the holder of this note. If any payments or other amounts due as required by the terms of this note or any other instrument evidencing or securing same are not paid within ten (10) days from the due date thereof, a collection charge of not to exceed five percent (5%) on each dollar due and unpaid shall be paid by the undersigned, and any collection charges not paid when applicable may be added to the principal balance thereof.

If the buyer shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of their title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of PGandE being first had and obtained, PGandE shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

PGandE shall consent to the transfer to and the assumption of this Promissory Note, without acceleration, by a third party upon authorization by the California Public Utilities Commission of the sale and transfer of the Tuolumne Water System to said third party.

Should suite be commenced to collect this note or any portion thereof, such sum as the Court may deem reasonable shall be added hereto as attorney's fees. The principal sum is payable in lawful money of the United States of America. This note is secured by a certain DEED OF TRUST to the YOSEMITE TITLE COMPANY, a California corporation, as TRUSTEE.

AGREED AND ACCEPTED BY
PACIFIC GAS AND ELECTRIC COMPANY

By _____
Its

And By _____
Its

COUNTY OF TUOLUMNE

By _____
Its

And By _____
Its

EXHIBIT F

Escrow No. _____

RECORDING REQUESTED BY

_____

When Recorded Mail To:

LOAN/CONTRACT NO._____

DEED OF TRUST

DEED OF TRUST, made this _____ day of _____, 1983, between COUNTY OF TUOLUMNE, herein called Trustor, YOSEMITE TITLE COMPANY, a California Corporation, herein called Trustee, and PACIFIC GAS AND ELECTRIC COMPANY, herein called Beneficiary.

TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, in Trust with power of sale, the real property located in the County of Tuolumne, State of California, described in Exhibit "A" attached hereto.

FOR THE PURPOSE OF SECURING payment of Seven Hundred Fifty Thousand Dollars ($750,000.00), according to the terms of a promissory note, of even date herewith, executed by Trustor to Beneficiary, any additional sums and interest thereon which may hereinafter be loaned to Trustor by Beneficiary and the performance of each agreement herein contained.

A. To Protect the Security of this Deed of Trust, Trustor agrees:

1. To keep said property in good condition and repair; to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not

to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide and maintain insurance pursuant to the purchase agreement between Trustor and Beneficiary dated _____, 1983.

3. To appear in and defend any action or proceeding purporting to affect the security hereof.

4. To pay immediately on demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the rate of seven percent (7%) per annum.

5. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do, and with notice to and demand upon Trustor, and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as may be necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof, and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

B. It Is Mutually Agreed That:

1. By accepting payment of any sum secured hereby after its

due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

2. At any time or from time to time, without liability therefor, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of said property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

3. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note to Trustee for concellation and retention, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

4. Upon default by Trustor in payment of any indebtedness secured hereby, all sums secured hereby shall immediately become due and payable, at the option of Beneficiary. In the event of default, Beneficiary shall execute, or cause the Trustee to execute

a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.

At least three (3) months having elapsed after recordation of a notice of default, Trustee shall give notice of sale as then required by law, and, after demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals of such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs and expenses of Trustee and of this Trust, including cost of evidence of title, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at seven percent (7%) per annum; all other sums then secured hereby; and the

remainder, if any, to the person or persons legally entitled thereto.

5. Pacific Gas and Electric Company shall consent to the transfer to and the assumption of the indebtedness secured hereby, without acceleration, by a third party upon authorization by the PUC of the sale and transfer of the Tuolumne Water System to said third party.

C. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address set out opposite his signature hereinafter written.

Mailing Address for Notices

County Administrative Office
2 South Green Street
Sonora, California 95370

Signature of Trustor

_____

(Attach Acknowledgements)

EXHIBIT G

Extension Number	Main Extension - Rule No. T-15 Section	Name and Address of Holder
XR-3251	C	Sonora Investment Co. 730 So. Washington St. Sonora, CA 95370
XR-3328	C	Betty E. Souders 15 Seaview Drive Santa Barbara, CA 93108
XR-3504	C	Stewart E. Hatler Route 3, Box 555 Sonora, CA 93108
XR-3546	C	G&L Land Co., Inc. 220 Berverdor Ave. Tracy, CA 95376
XR-4509	C	Sonora Elementary School 830 Guzzi Lane Sonora, CA 93108
XR-4617	B	Harold S. Plummer P. O. Box 414 Jamestown, CA 95327
XR-4677	C	George Reed & Wendell Reed P. O. Box 1756 Modesto, CA 95352
XR-4684	C	California Properties Inc. 381 Bush St. San Francisco, CA 94104
XR-4767	C	Robert Cowden, Jr. P. O. Box 545 Sonora, CA 95370
XR-4851	C	Michael McGuire & Estough 3110 Watt Ave. Sacramento, CA 95821
XR-4933	C	W. E. Sears 130 Jennifer court Grover City, CA 93433
XR-4935	B	Alvin Fay & Joe Lemacher 1724 North Shaws Flat Rd. Sonora, CA 95370

Extension Number	Main Extension Rule No. T-15 Section	Name and Address of Holder
XR-4961	C	Stewart Hatler Route 3 Box 555 Sonora, CA 95370
XR-4999	C	Greg Vistica 11190 Hooper Lane Los Altos Hills, CA 94022
XR-5026	B	Dr. Ronald Rankin P. O. Box 696 Jamestown, CA 95327
XR-5131	B	Carl Ringstrom 900 E. Mono Way Sonora, CA 95370
XR-5246	C	Virgil Gunter 19 West Snell Sonora, CA 95370
XR-5440	C	Jamestown Apts. A Ltd. Ptnr. 3110 Watt Ave. Sacramento, CA 95821
XR-5444	B	William D. Center Ben J. Cassinetto A Partnership DBA: C&C Investment 117 East F St. Oakdale, CA 95361
XR-5895	B	E. A. Turner P. O. Box 84 Long Barn, CA 95335
XR-6187	C	Dr. Eliseo Comiso & Lowell Lehman A Partnership 900 Mono Way Sonora, CA 95370
XR-6240	B	E. W. East P. O. Box 154 Sonora, CA 95370
XR-6403	B	Pauline D. Girard P. O. Box 559 Jamestown, CA 95327
XR-6462	C	Hunt Const. of Sacramento, Inc. 2701 Stockton Blvd. Sacramento, CA

Extension Number	Main Extension Rule No. T-15 Section	Name and Address of Holder
XR-7042	C	John F. Otto P. O. Box 2858 Sacramento, CA 95821
XR-7153	B	William Hunter P. O. Box 1302 Jackson, CA 95642
XR-7183	C	Dollie Radovich 10575 Jacksonville Rd. Jamestown, CA 95327
XR-7736	B	Robert Davis & Dr. David F. Hardy 7 Forest Rd. Sonora, CA 95370
XR-7824	B	Milton E. Schroeder 475 West Alpine Sonora, CA 95370
W.O. 70537 (11/1/81)	B	Daniel M. Jones P. O. Box 188 Sonora, CA 95370

EXHIBIT H

SUPPLEMENTAL WATER SUPPLY

The supplemental supply of water shall be defined as water released at County's request into the South Fork Stanislaus River below PGandE's Philadelphia Ditch Diversion which is available for County's use in the System. The purpose of the supplemental supply is to provide an adequate quantity of free water to augment the base and any new sources of supply to meet the consumptive needs of the System when operated efficiently.

(a) Quantity

County shall be eligible to receive in any calendar year a calculated amount of free water and in addition may opt to purchase additional water at the rate specified in Article 7(f). Similarly, if County's use of supplemental water is less than that amount calculated as free water in any calendar year, County shall receive credit at the rate specified in Article 7(f) and in accordance with Item (c) of this Exhibit H for that portion of free water not used. The total quantity of water available as free and purchased water in any year shall be that amount naturally occurring in the South Fork Stanislaus River watershed above PGandE's Philadelphia Ditch Diversion at times when the base supply is incapable of meeting the System's consumptive needs. The supplemental in conjunction with the base supply shall constitute PGandE's total obligation under Article 7.

(1) Free Water

The amount of free water available is defined by the equation:

$$R = 9{,}500 - 0.003675M$$

R = the calendar year quantity of free water in acre-feet available for release below the Philadelphia Ditch Diversion and may range from zero to a maximum of 9,500 acre-feet.

M = the calendar year natural flow above Melones Reservoir in acre-feet as calculated by the measurements and forecasts of the California Department of Water Resources (DWR).

(b) Method for Calculating the Calendar Year Natural Flow Above Melones Reservoir (M).

The calendar year natural flow is defined by the equation:

$$M = W - P + 42{,}700$$

W = DWR's May 1 forecast for the water year in acre-feet (October of the preceding year through September of the present year).

P = Actual measured flows during October through December of the preceding year in acre-feet.

42,700 = Sum of monthly historical (1901 - 1977) median flows during October through December in acre feet (representative of the most probable flows during October through December for the present year)

For purposes of estimating the amount of free supplemental water available prior to DWR's May 1 forecast, any prior forecast for the same period may be used.

(c) Credit Eligibility Conditions

In years when County's use of free supplemental water is less than the quantity 'R' determined by the formula in Item (a) (1) of this Exhibit H, County will receive credit at the rate specified in Article 7(f) for the quantity of free water not used in accordance with the following conditions:

(1) If the quantity of free supplemental water 'R' is less than 7,000 acre-feet, then the quantity of water eligible for credit is 'R' less the amount of free supplemental water actually used in that calendar year.

(2) If the quantity of free supplemental water 'R' is greater than or equal to 7,000 acre-feet and the amount actually used is less than 7,000 acre-feet, then the quantity of water eligible for credit is 7,000 acre-feet less the amount of free supplemental water actually used in that calendar year. No credit will be given when the use of free supplemental water exceeds 7,000 acre-feet.

(d) Conservation Periods

In years when the calendar year natural flow above Melones Reservoir 'M' as determined in Item (b) of this exhibit is less than 550,000 acre-feet, County shall notify all its customers by June 30 of that year informing them of the dry year conditions and requesting said customers to implement the "Voluntary Water Conservation Plan" subject to the guidelines in Exhibit I. If during the voluntary conservation period the use of the supplemental water is forecast to exceed 7,000 acre-feet then County, within 30 days of such determination, shall notify all customers that the "Mandatory Water Conservation Plan" is to be implemented immediately subject to the guidelines in Exhibit J. Such voluntary or mandatory conservation measures shall remain in effect throughout the remainder of the calendar year or until such time water conditions improve, whichever comes first.

(e) Adjustments to Methodology

The method for determining the amount of free supplemental water shall remain as described in Exhibit H for a period of 5 years following the anniversary of the closing date of this contract. If at any time after 5 years it appears that the annual amount of calculated free water does not coincide with the actual use, the method may be adjusted by written mutual consent of both parties. If either or both parties wish to amend Exhibit H for this reason but are unable to agree on a new methodology, the issue will be settled by arbitration.

Such adjustments in the method may be for the purpose of revising any part of this Exhibit H including increasing or decreasing the quantity of free supplemental water supply as appropriate. Adjustments to the formula for determining the quantity of free supplemental supply may be for any of, but not limited to, the following reasons:

(1) Increases due to customer growth and System expansion.

(2) Decreases due to customer reduction and System improvements.

(3) Decreases due to County receiving water from any new source(s) of surface water supply, other than those sources already in use prior to the sale of the System. To provide incentive for County to develop or accept any offerings of new sources of water supply, County is entitled to receive credit for that portion of the free supplemental supply replaced by the new surface water supply under the terms specified in Article 7(f).

If either or both parties wish to amend Exhibit H for these or any other reasons, but are unable to agree on a new methodology, the issue will be settled by arbitration as designated in Article 9.

EXHIBIT I

VOLUNTARY WATER CONSERVATION PLAN

A. Purpose

The purpose of this rule is to ensure that water resources available to the County are put to a reasonable beneficial use and that the benefits of the County's water supply and service extend to the largest number of persons.

B. Waste of Water Discouraged

The County shall have the right of refusing or of ceasing to deliver water to a customer if any part of the customer's service appliances or apparatus shall at any time be unsafe, of if the utilization of water by means thereof shall be prohibited or forbidden under the authority of any law or municipal ordinance or regulation (until such law, ordinance or regulation shall be declared invalid by a Court of competent jurisdiction), and may refuse to serve until the customer shall put such part in good and safe conditions and comply with all the laws, ordinances and regulations applicable thereto.

The County does not assume the duty of inspecting the customer's service appliances or apparatus or any part thereof and assumes no liability therefor. In the event that the customer finds the water service to be defective, the customer is requested to notify the County immediately to this effect.

C. Use of Water Saving Devices and Practices

Each customer of the County is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers. Each customer is further urged to adopt such other water usage and reusage practices and procedures as are feasible and reasonable.

D. Water-Savings Kits

The County will make available, without initial cost to the customer, for use in each residence receiving water service from the County, a water-saving kit containing the following:

(1) A device or devices for reducing toilet flush water requirements;

(2) A device or devices for reducing shower flow rates;

(3) A dye tablet or tablets for determining if a toilet tank leaks;

(4) Other devices from time to time approved by the County;

(5) Installation and other instructions and information pertinent to conservation of water.

EXHIBIT J

MANDATORY WATER CONSERVATION PLAN

In order to conserve County's water supply during a drought for the greatest public benefit with particular regard to domestic use, sanitation and fire protection, County adopts the following regulations and restrictions on the delivery and use of water from the Tuolumne Water System to take effect when appropriate.

A. RESIDENTIAL, COMMERCIAL AND PUBLIC AUTHORITY CUSTOMERS

All metered customers shall reduce consumption by 35%. Achievement of percentage reductions shall be determined by County by comparing customers' last year's seasonal usage with seasonal usage this year. In order to reduce consumption to the appropriate levles, customers shall do the following:

1. Discontinue watering lawns and gardens or any other irrigation between the hours of 9:00 a.m. to 7:00 p.m. In addition, the watering of lawns or gardens or any other irrigation which results in gutter, patio, driveway, walk or street flooding or other runoff is prohibited. Unattended watering is prohibited.

2. Washing of cars, boats, trailers, or other vehicles by hose or by use of water directly from faucets or other outlets is prohibited.

3. The emptying and refilling of existing indoor or outdoor swimming pools is to be discontinued.

4. There shall be no washing of sidewalks, walkways, driveways, patios, parking lots, tennis courts or other hard-surfaced areas by hose or by use of water directly from faucets or other outlets.

5. Customers shall utilize water conservation kits to be distributed by County or other water utilities.

6. Applications for service connections for new construction shall be granted upon condition that water shall only be used for interior purposes and shall not be used for lawn or garden watering or anyother irrigation use for the duration of the drought.

7. Operation of decorative fountains is prohibited.

8. Sewer flushing with fresh water is prohibited.

9. Restaurants shall serve water to customers only upon request.

10. The use of water for scenic and recreational ponds and lakes, except for the minimum amount required to support fish life, is prohibited.

B. INDUSTRIAL CUSTOMERS

Industrial customers shall reduce to the lowest possible amount which would allow continued operation. Conservation measures to be taken shall be reviewed on an individual basis; reductions in consumption shall be established on an individual basis.

C. CANAL AND DITCH CUSTOMERS

1. All customers shall observe all rules in Section A where appropriate.

2. All irrigation service customers taking one miner's inch of water constant flow shall be limited to one-half miner's inch. Customers taking ne-half miner's inch shall be limited to one-fourth miner's inch.

3. All irrigation service and other customers using more than one miner's inch shall reduce their consumption of water by 50% of the amount delivered in 1976.

4. All customer's receiving tansk shall be float-controlled; receiving tanks and other facilities including pipes shall be in proper condition to eliminate leakage and waste.

5. Resale customers serving metered accounts shall be reduced by 35%. Resale customers serving unmetered accounts shall be reduced by 50%.

6. In reducing water consumption, customers shall use irrigation practices which conserve water.

7. During the term of this conservation plan, new applications for irrigation water exclusively will be denied.

8. All new service applications for ditch water intended to be treated by the customer and used for domestic purposes shall be metered.

D. ENFORCEMENT

Violations of this plan shall result in the following penalties:

1. First violation: Written warning that a further violation will result in possible water restrictions.

2. Second violation: County shall restrict the customer's water service by inserting a device to reduce the customer's water flow; such restriction shall be removed only after a one-week period has elapsed, and upon payment by the customer to County of a $25.00 reconnection fee.

3. Third violation: County shall restrict the customer's water service by inserting a device to reduce the customer's water flow; said deive shall remain in place for the duration of the drought.

E. VARIANCES

Variances may be granted from any of the above regulations and restrictions upon application in writing stating in detail the grounds therefor.