

DRAFT COST-SHARING AGREEMENT

(re: Edmonds Road High-Pressure Pipeline Relocation)

This COST-SHARING AGREEMENT (this **Agreement**), effective this ____ day of _____ 2021 (the **Effective Date**), is made by and between **CALIFORNIA WATER SERVICE COMPANY**, a California corporation (**CWS**) and the **COUNTY OF SAN MATEO**, a political subdivision of the State of California (**County**). CWS and the County may be individually referred to as a **Party** and collectively as the **Parties**.

BACKGROUND

A. In approximately 2014, the County began planning the replacement of the Cordilleras Mental Health Center, a County-owned mental health facility serving County residents (the **County Project**). The County Project, which is under construction, is located on an approximately 20-acre parcel of County-owned land at 200 Edmonds Road, identified by Assessor's Parcel Number 050-470-050, in the unincorporated Redwood City area of San Mateo County (the **County Property**).

B. In approximately 2008, CWS acquired the water system and facilities of the Skyline County Water District that formerly operated in a portion of the unincorporated area of the County of San Mateo and in portions of the Town of Woodside, California (the **System**). The System included a 6-inch steel, cement-mortar lined, high-pressure potable water pipeline that was installed in 1979 (the **HPW**). A portion of the HPW runs through County Property and another portion is located in the Edmonds Road right of way.

C. The HPW is essential to deliver potable water to CWS' customers and is sensitive to disturbance and damage. Failure of the HPW could lead to injury and property damage and could impact the delivery of potable water to CWS' customers. Any work that disturbs the area above, around, or below the HPW, and any work that may impact CWS' access to the pipeline, requires careful planning.

D. Given its proximity to the HPW, the County Project could disturb or damage the pipeline and would impact CWS' ability to access the HPW for maintenance and repair. Specifically, the County Project includes work close to the HPW; will raise the finished grade over the pipeline from 4 to 10 feet or more; and will affect a portion of the pipeline referred to as the Creek Crossing (see Exhibit C to this Agreement).

E. It is in the Parties' mutual interest to relocate the HPW from its current location as a reasonable measure to facilitate the County Project, protect public safety, and ensure the continued delivery of water to CWS' customers (the **Relocation Project**). The Parties believe that cooperation and coordination of their respective projects, as set forth in this Agreement, will mitigate or avoid disputes, delays, and claims and benefit the public. Moreover, there are questions regarding the Parties' respective responsibility for the costs that would be incurred due to the current placement of the HPW and the corresponding needs of the respective projects.

AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions below, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Roles and Responsibilities

1.1. Roles; Generally. Except as provided in this Agreement, each Party will be responsible for and have the full right and discretion under law to pursue and execute their respective projects. Nothing in this Agreement will be deemed, construed, or interpreted to create a partnership or joint venture.

1.2. Project Plans. Summaries of the preliminary plans or schedules of the County Project and Relocation Project are attached as Exhibit A to this Agreement, for reference and listed as Exhibit A-1 (County Preliminary Plan and Schedule) and Exhibit A-2 (CWS Preliminary Plan and Schedule). Neither Party is bound by the preliminary plans or schedules in Exhibit A, and the Parties acknowledge and agree that their respective preliminary plans and/or schedules may change. However, each Party will reasonably and promptly update the other respecting changes in or modifications to their plans and schedules. Each Party will be responsible for planning and designing their respective projects, including, but not limited to making any estimates and measures and verifying and defining any amounts, quantities, materials, or other specifications and any schedule, plan, specification, survey, report, or similar documents shared with the other Party will not constitute a representation or warranty as to such document's accuracy or completeness or assurance of any kind.

1.3. Cooperation. The Parties will reasonably cooperate to coordinate the work on their respective projects so as not to unreasonable interfere with, disrupt, or delay the other Party. Each Party will designate a primary point of contact and any key personnel within a reasonable time of the Effective Date. A Party may substitute or designate additional contacts or key personnel in writing to the other at:

CWS: Engineering Group
Cal. Water Service Company
1720 N. First Street
San Jose, CA 95112
Attn: Carmelo Sorce
Chief Eng. & Dir., Capital Delivery
csorce@calwater.com

Copy to: Legal Group
Cal. Water Service Company
1720 N. First Street
San Jose, CA 95112

County: Project Development Unit
555 County Center, 2nd Fl.
Redwood City, CA 94063
Attn: Sam Lin
slin@smcgov.org

Copy To: Project Development Unit
555 County Center, 2nd Fl.
Redwood City, CA 94063
Attn: Scott Gurley
c_sgurley@smcgov.org

1.4. Project Safety. The County will implement, or provide a copy of and cause its contractors and subcontractors to comply with, the minimum protocols, procedures, and requirements for doing work in, on, around, or over the HPW (including any work around the Creek Crossing), and these protocols, procedures, and requirements are attached as Exhibit B to this Agreement.

2. Funding and Payment

2.1. Project Costs; County Contribution. CWS expects to incur no less than \$565,000.00 in costs for the Relocation Project (the **Relocation Project Cost**). The Parties acknowledge that the Relocation Project Cost is a reasonable minimal estimate of the anticipated actual costs of the Relocation Project. Within ninety (90) days from the Effective Date, the County will pay to CWS TWO HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (**\$250,000.00**) in available, non-refundable funds as a contribution toward the Relocation Project Cost (the **County Contribution**). The County Contribution will not be contingent, conditioned, restricted, or subject to any appropriation, allocation, or other legislative, executive, or administrative action, resolution, consent, approval, or ratification subsequent to execution of this Agreement by the Parties. The County Contribution will constitute the County's total contribution and share of the Relocation Project Cost and any other associated costs related to the Relocation Project, but not constitute a limitation of any other liability under this Agreement. Notwithstanding the foregoing, if CWS does not begin the Relocation Project within 5 years from the Effective Date, the County shall be entitled to a full refund of the County Contribution.

2.2. No Other Cost Sharing. Except for the County Contribution, the County has no responsibility to pay for any of the costs of the Relocation Project. Similarly, CWS has no responsibility to pay for any of the costs of the County Project. However, nothing in this Agreement shall limit a Party's responsibility for costs and expenses for damage or destruction to the other Party's property caused by the Party, including any employee, agent, contractor, subcontractor, or representative in carrying out their respective projects.

3. Term

This Agreement begins on the Effective Date and ends on the later of the completion of the Parties' responsibilities Parties or the completion of the County Project.

4. Mutual Indemnification; Releases

4.1. Mutual Indemnification. Each Party will indemnify, defend, and hold the other party harmless from any and all claims, demands, costs, liabilities, losses, expenses, and damages, including, but not limited to reasonable attorney's fees and costs, arising out of or in connection with claims of third-parties for personal injury, property damage, breach of contract, tort, or otherwise arising from work performed by a Party or its respective officer, director, employee, agent, contractor, subcontractor, or representative in carrying out or executing the Party's respective project, but only to the extent and proportion such damage or loss is caused by the indemnitor.

4.2. Relocation Assistance. CWS releases and waives any and all claims for any assistance, damages, or relocation compensation caused by the County Project and giving rise to the Relocation Project effective as of the Effective Date. County shall make the County Contribution within 90 days of the Effective Date.

4.3. Use and Occupancy of County Property. The County releases and waives any and all claims against CWS, CWS' Representatives, and its subsidiaries and affiliates arising out of their use and occupancy of the County Property prior to the completion of the Relocation Project, provided that the Relocation project is completed within five (5) years after the Effective Date; and any third-party claims for or arising out of, but not limited to, differing conditions, changes, delays, or interference with any

third-party contracts concerning the County Project (whether known or unknown, asserted or unasserted) on the Effective Date. On or within a reasonable time of the Effective Date, the parties will execute instruments reasonably necessary for CWS to continue to use and occupy the County Property and Edgewood Road on mutually agreeable terms and conditions.

5. Miscellaneous

5.1. No Admission. Neither Party will deem, suggest, claim, or otherwise assert that this Agreement constitutes a party's admission of liability with respect to the subject matter of this Agreement.

5.2. No Third-Party Beneficiary. This Agreement will not constitute or be deemed, construed, or interpreted to create any rights or benefits in any third-party. No third-party may claim or enforce any term or condition of this Agreement against any Party or on behalf of any Party.

5.3. Integration. This Agreement constitutes the entire agreement between the Parties respecting the subject matter of this Agreement, and all prior communications, agreements, or understandings between the Parties, whether oral or written, are merged and integrated in this Agreement.

5.4. Amendment. This Agreement cannot be amended, except by a written instrument signed or acknowledged by the Parties.

5.5. No Recordation. No Party may record this Agreement, except with the other Party's prior written consent.

5.6. Further Cooperation. The Parties will reasonably cooperate to carry out the purposes of this Agreement.

5.7. Survival. The following Sections survive the termination of this Agreement: 2.2 (No Other Cost Sharing); 4.1 4.1(Mutual Indemnification); 5.1 (No Admission); 5.5 (No Recordation); and 5.6 (Further Cooperation).

5.8. Counterparts. This Agreement may be signed in one or more counterparts, by electronic, facsimile, PDF, or other electronic means. Each counterpart will be deemed an original and all counterparts, when taken together, will form one and the same instrument.

5.9. Governing Law; Venue. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of San Mateo.

In witness of and in agreement with this Agreement's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For CALIFORNIA WATER SERVICE COMPANY:

Signature

Date

Name (please print)

Signature

Date

Name (please print)

COUNTY OF SAN MATEO

By: _____

President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____

Clerk of Said Board

Exhibit A

[Preliminary Plans and Schedules]

Exhibit A-1
(County Preliminary Plan and Schedule)

End of Exhibit A-1

Exhibit A-2
(CWS Preliminary Plan and Schedule)

End of Exhibit A-2

Exhibit B
(CWS Protocols for Work around HPW)

Clearances and Crossings:

1. County will show CWS' future 6" HPW relocation alignment on proposed drawings, adequately allocating, where feasible, for horizontal, parallel, and vertical clearances:
 - a. 10' minimum parallel clearance for sewer.
 - b. 4' minimum parallel clearance for storm.
 - c. 5' minimum horizontal clearance at all adjacent installations for dry utilities.
 - d. 3' minimum vertical clearance for all pipes and services, exception where gravity mains require deviation.

NOTE: If a vertical crossing is less than 3', County will provide CWS details of how pipe or service will be supported/mitigated for its review and approval before any portion of the HPW line is exposed.

2. Department of Drinking Water requirements for separation between water, sewer, and storm drain:
 - a. 10' & 4' minimum horizontal wall-to-wall and 1' vertical for water main.
 - b. 45-degree angles minimum for all crossings.
 - c. No sewer or storm joints within 8' of sewer or storm crossing a water facility.

Notice and Coordination:

1. County will provide CWS 24 hours advance notice for:
 - a. Any work within 5 feet of the HPW.
 - b. Any preconstruction meetings related to the underground utility work. **NOTE:** Contractor to contact Marty Roberts, General Superintendent at 650-854-5454.
 - c. Any work outside of normal business hours (i.e., Monday – Friday, 8:00 AM PST – 4:30 PM PST).
 - d. Any proposed field adjustments or deviations from the proposed plan and approve of any modifications at the HPW line crossings prior to installation.

2. County will immediately notify Cal Water if a pipe joint is uncovered to assess if additional precautions are required.

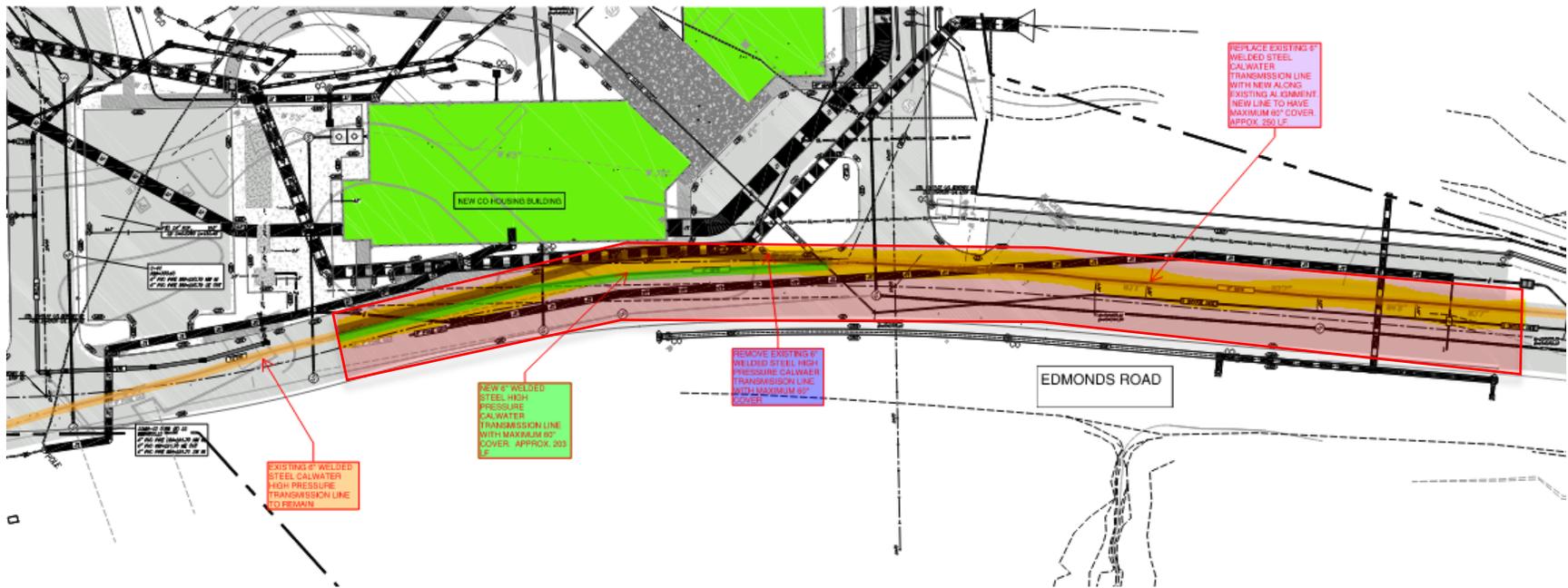
General:

1. Contractor will pothole any utility crossing to verify location and depth prior to any excavation activities. A CWS representative must be on-site for all potholing activities.
2. If any County work requires more than 3' of the HPW to be exposed, County will provide CWS with details of how much the pipe will be exposed and methods for supporting/working in close proximity.

3. Contractor will provide CWS with a copy of its project health and safety plan and emergency contacts.

4. These are minimum requirements. County, contractors, or subcontractors, as the case may be, are responsible for protecting the HPW in-place, and may employ other measures and determine the means and methods it deems prudent above and beyond these minimum requirements.

Exhibit C
(Map Showing HPW and Creek Crossing)



CORDILLERAS HEALTH CENTER REPLACEMENT PROJECT
CALWATER HIGH PRESSURE TRANSMISSION LINE IN
EDMONDS ROAD