

**REIMBURSEMENT AGREEMENT**

Pacific Gas and Electric Company Valve Automation Project  
City of Napa File No. WTR2018-0007  
(Pipe Lining Project in Conjunction with Valve Automation Project)

This Reimbursement Agreement ("Agreement") is entered into this 27<sup>th</sup> day of August, 2018, by and between the Pacific Gas and Electric Company, a California corporation ("PG&E") and the City of Napa, a California Charter City and municipal corporation ("City") (each a "Party" and collectively, the "Parties").

**RECITALS**

WHEREAS, PG&E has obtained encroachment permits from the City to construct a new regulator station ("Regulator Station") on PG&E's valve lot located within PG&E's Area 7, North Bay Division, in the County of Napa at 1100 Stanly Lane (APN 047-230-054) as part of PG&E's Valve Automation Project V-246 (Encroachment Permits EP1701-0047 and EP1702-0054) (the "PG&E Project"); and

WHEREAS, City intends to rehabilitate City's water transmission pipeline ("Pipeline") located along and adjacent to the western perimeter of the Regulator Station as detailed on Exhibit A attached hereto and incorporated herein, in order to coordinate with PG&E's construction of the Regulator Station and extend the useful life of the Pipeline, thereby reducing the likelihood that the Pipeline will fail in the future ("City Project"); and

WHEREAS, the City Project will benefit PG&E's Regulator Station by reducing the likelihood of catastrophic failure of the City's pipeline in the immediate vicinity; and

WHEREAS, as a result of the benefits that PG&E will receive from the City Project, PG&E has agreed to pay for its fair-share proportionate cost of the City Project; and

WHEREAS, the Parties wish to memorialize the terms and conditions of PG&E's agreement to reimburse the City for its fair-share proportionate cost of the City Project.

**AGREEMENT**

NOW THEREFORE, PG&E and City hereby enter into this Agreement on the following terms and conditions:

1. PG&E Reimbursement for City Project Costs.

A. As consideration for the benefits that PG&E will receive from the City Project, PG&E shall reimburse the City for its fair share proportionate cost of the City Project, which is equal to thirty-six percent (36%) of the actual construction costs for the City Project in accordance with the requirements of this Section 1; provided however, in no event shall PG&E's reimbursement obligation under this Agreement exceed \$180,000.

B. Upon completion of the City Project, City shall submit an invoice to PG&E for reimbursement of PG&E's fair share proportionate cost of the City Project calculated in accordance with Subsection 1.A. Upon request, City shall provide documentation to PG&E reasonably substantiating the construction cost of the City Project.

C. PG&E shall pay to City the amount set forth in the invoice within sixty (60) days of the date of the invoice.

2. No Joint Venture. This Agreement shall not constitute nor create any form of association, joint venture, partnership or cooperative activity of any nature between PG&E and the City.

3. Ownership of Project. PG&E and City acknowledge that the Pipeline rehabilitated as part of the City Project is and will remain the property of the City.

## ATTACHMENT 1

4. Term. This Agreement shall remain in effect until PG& E pays City for PG&E's fair share proportionate cost of the City Project in accordance with this Agreement.

5. Notice. Formal notices, invoice submittals, and communications between PG&E and City shall be sufficiently given if dispatched by electronic mail correspondence or reputable overnight delivery service or delivered personally, to the principal offices of the City and PG&E as set forth below.

Courier service, including but not limited to Federal Express, shall be considered personal delivery.

US Postal Service

City of Napa  
P.O. Box 660  
Napa, California 94559-0660  
Attn: Michael Hether, P.E., Senior Civil Engineer (Water Division)

Federal Express

City of Napa  
1340 Clay Street  
Napa, California 94559  
Attn: Michael Hether, P.E., Senior Civil Engineer (Water Division)

Pacific Gas and Electric Company  
6121 Bollinger Canyon Road  
San Ramon, California 94583  
Attn: Sam Khairi, Manager of Stations

Any Notice shall be deemed to have been given on the date of delivery or the date that delivery is refused by the addressee, as shown on the return receipt.

Such written notices, demands, and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section 5.

City's Authorized Representative for purposes of this Agreement shall be Jacques R. LaRochelle, Director of Public Works. PG&E's Authorized Representative for purposes of this Agreement shall be Sam Khairi, Manager of Stations.

6. Assignability. Neither Party to this Agreement shall assign or transfer any interest in this Agreement, nor the performance of any duties or obligations hereunder, without the prior written consent of the other Party, and any attempt by either Party to so assign or transfer this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

7. Governing Law and Venue. The law governing this Agreement shall be that of the State of California. In the event that suit shall be brought by either Party to this Agreement, the Parties agree that venue shall be exclusively vested in the Superior Court of the County of Napa.

8. Attorney's Fees. If any litigation is commenced to enforce or interpret this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

9. Modifications. This Agreement may not be amended or modified orally. No amendment or modification of this Agreement is binding unless it is in a writing signed by both parties.

10. Interpretation. Each Party has reviewed this Agreement and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for interpretation against the drafting Party. This Agreement shall be construed as if both Parties drafted it. The captions and headings contained herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

## ATTACHMENT 1

11. Force Majeure. Neither Party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or for any interruption of services, directly or indirectly, from acts of god, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of the Parties.

12. Prior Agreements and Amendments. This Agreement, including Exhibit A hereto, represents the entire agreement of the Parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein. This Agreement may only be modified by a written amendment duly executed by the parties hereto.

13. Severability. If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

14. Counterparts. This Agreement may be executed in counterparts, each one of which is deemed an original, but all of which together constitute a single instrument.

15. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of PG&E and the City.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY OF NAPA,  
a California Charter City:**

**PACIFIC GAS AND ELECTRIC,  
a California Corporation:**

\_\_\_\_\_  
(Signature)

Phil Brun Utilities Director  
(Type name and title)

**ATTEST:**

\_\_\_\_\_  
(Signature)

Dorothy Roberts, City Clerk  
(Type name and title)

By:

  
(Signature)

Sam Khairi, Manager of Stations  
(Type name and title)

By:

\_\_\_\_\_  
(Signature)

**COUNTERSIGNED:**

\_\_\_\_\_  
(Type name and title)

\_\_\_\_\_  
(Signature)

Desiree Brun, City Auditor  
(Type name and title)

**APPROVED AS TO FORM:**

\_\_\_\_\_  
(Signature)

Michael W. Barrett, City Attorney  
(Type name and title)

Exhibit A  
Location of City Project

