

ATTACHMENT A

Settlement Agreement, dated March 18, 2005, between the Sierra City Fire District (complainant) and the R.R. Lewis Small Water Company (defendant), in Case 04-06-012.

FIRE HYDRANT TESTING AGREEMENT

The following agreement was reached between the Sierra City Fire District and the R.R. Lewis Small Water Company at a Special Meeting of the Commissioners of the Sierra City Fire District held on March 3, 2005 in the Board of Supervisors' Room, Downieville. In attendance: Commissioners Malcolm Cooper, Charles Moore, Louis Phillippi, Dale Teubert; representing the R.R. Lewis Small Water Company: Larry Ostrom, Pam Ostrom; C.P.U.C. Mediator Peter Allen.

The Agreement is as follows:

The Sierra City Fire District may accomplish such minor maintenance to the fire hydrants as does not require special knowledge or tools. Such maintenance shall only include replacement of hydrants caps, removal of weeds around the hydrants, and other such minor maintenance as District and Utility may mutually agree upon in writing. Utility shall maintain sole responsibility for flushing of the hydrants on a regular, quarterly basis.

District may, at any time by trained personnel, but no more than quarterly, inspect any fire hydrant within its jurisdiction to ensure that it is mechanically operable and capable of delivering water, Fire Agency will give Utility and local employee a 24-hour advance notice by telephone or e-mail before performing any such tests or training on any hydrants. Utility will likewise notify Fire Agency of any work to be performed on the system or of any problems with the system. District shall notify Utility in writing of any maintenance requirements as soon as possible after such inspections and at any other time it becomes aware of maintenance requirements.

District may perform flow tests on any hydrant provided it notifies Utility prior to making any such tests as specified above and furnishes the Utility copies of all data collected, and postpones any such tests if Utility notifies the District that such test will interfere with the operation of the system.

Only trained District or Utility personnel shall operate fire hydrants for fire flow tests.

Notices. All communications, notices and demands of any kind other than the emergency instances delineated above, is to be given to or served upon the other party, shall be made in writing and delivered by personal service to the other party or sent by United States mail, postage paid, or by overnight mail service (next day delivery) to the following addresses:

To District: Sierra City Fire District
P.O. Box 516
Sierra City, CA 96125

To Utility: R R Lewis Small Water Company
4500 East Fremont Street
Stockton, CA 95215

Notice by personal delivery or overnight mail service (next day delivery) shall be effective upon receipt of such notice. Notice by United States mail shall be deemed five (5) working days after such notice is deposited in the mail. Either party may change its address by giving the other party written notice of its new address as herein provided.

Date 3-7-05

Sierra City Fire District

By: Malcolm R. Cooper

Title: Chief

Date 3-10-05

R R Lewis Small Water Company

By: [Signature]

Title: MANAGER