California High-Speed Rail Authority

RFP No.: HSR 13-57

Request for Proposal for Design-Build Services for Construction Package 2-3

Book II, Part B.2 – Alpaugh Irrigation District Master Agreement (Executed)

MASTER AGREEMENT

BETWEEN
CALIFORNIA HIGH-SPEED RAIL AUTHORITY
AND
ALPAUGH IRRIGATION DISTRICT

PARTIES:

THIS AGREEMENT, entered into as of the date last written below (the "Agreement") by and between the California High-Speed Rail Authority, an agency of the State of California, whose principal place of business and mailing address is 770 L Street, Suite 800, Sacramento, California 95814, hereinafter referred to as the "Authority", and Alpaugh Irrigation District, a California Irrigation District whose principal mailing address is P.O. Box 129, 5458 Road 38, Alpaugh, CA 93201 hereinafter referred to as the "Facility Owner".

RECITALS:

WHEREAS, Facility Owner owns, operates, or maintains certain facilities for the delivery of agricultural irrigation water and groundwater recharge under its authority as an irrigation district under Sections 20500 et seq. of the California Water Code. Facility Owner's service area includes portions of the Authority's high-speed rail corridor; and

WHEREAS, the Authority desires to install, maintain, repair and replace certain high-speed rail related facilities ("Rail Facilities") in and over real property in which Facility Owner has rights of way or owns in fee for its Facilities. In many instances, the construction and operation of the Rail Facilities will require modification or replacement of Facilities; and

WHEREAS, the Parties desire to provide terms for the modification or replacement of Facilities in connection with construction of Rail Facilities ("HSR Project"). The Parties further desire to provide for the common use of their respective rights-of-way where such areas overlap; and

NOW AND THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Facility Owner agree as follows:

1. DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

1.1. Authority's Contractor. "Authority's Contractor" means a company, joint venture, partnership, limited liability company, or person that enters into a contract with the Authority for the performance of Facility Work or any other work.

1.2. Betterment. "Betterment" shall mean any upgrading of a replacement Facility that is made solely for the benefit of and at the election of the Facility Owner, including an increase in the capacity, capability, level of

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service, efficiency, duration or function of the replacement Facility over that which was provided by the existing Facility; provided, however, that the following are not considered Betterments in such cases:

Any upgrading necessary for safe and effective construction of the HSR Project; replacement devices or materials that meet equivalent standards although they are not identical; replacement devices or materials no longer regularly manufactured with the next highest grade or size; any upgrading required by applicable laws; replacement devices or materials which are used for reasons of economy (e.g. non-stocked items may be uneconomical to purchase); or any upgrading required by the applicable standard specifications, standards of practice and construction methods applied to comparable facilities constructed by or for the Facility Owner at its own expenses, which are in effect as of the date of execution of the applicable Utility Agreement.

1.3. Days. "Days" means calendar days, unless otherwise stated.

1.4. Facility. "Facility" or "Facilities" means a line, facility or system for transmitting or distributing communications, cable television, power, electricity, gas, oil, crude products, water, steam, sewage, waste, storm water or any other similar commodity that directly or indirectly serves the public, including any irrigation system and any fire or police signal system owned and operated by Facility Owner. The necessary appurtenances to each Facility (including fire hydrants as appurtenances to water lines and drainage basins for storm water lines) shall be considered part of such Facility.

1.5. Facility Work. "Facility Work" means all services, labor, materials, and other efforts to be provided and performed including the following general categories: scheduling, facility relocation, demolition, permitting, survey, geotechnical, design, environmental mitigation, construction, quality control, and quality assurance for design and construction, community relations, quality inspection and testing, construction safety and security program, systems testing, preparation of CADD As-Builts, coordination with jurisdictional authorities (governments, public and private entities), facility companies, railroad companies, and local communities, and other efforts necessary or appropriate to complete the design and construction required for relocation of Facilities or construction of new Facilities in conjunction with the HSR Project.

1.6. Hazardous Material. "Hazardous Material(s)" means any hazardous substance, hazardous material, or hazardous waste as defined under state or federal law and/or any substance, material, waste or other material of any nature whatsoever which may give rise to liability under state or federal law.

1.7. High-Speed Rail Property. "High-Speed Rail Property" means any real property or an interest therein, including any right-of-way, previously or hereafter acquired by the Authority.

1.8. HSR Project. "HSR Project" means the development and implementation of intercity high-speed rail service throughout the State of California as defined under provisions of Sections 2704 et seq. of the Streets and Highways Code and Sections 185030 et seq. of the Public Utilities Code.

1.9. Notice to Owner. "Notice to Owner" means written notice from the Authority to Facility Owner informing the Facility Owner that Relocation of Facilities is necessary. Such written notice shall specifically identify the Facilities subject to Relocation, the reason for Relocation, the Party(ies) that will be performing the Facility Work or Relocation, and what, if any, actions are requested of the District.

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1.10. Partners. "Partners" means cities, counties, the Authority, the Authority's Contractor, and any other third party entities affected by the HSR Project, including regulatory agencies, local agencies, and public and private facility owners.

1.11. Party. "Party" refers to the Authority or the Facility Owner, as the context may require and "Parties" means the Authority and the Facility Owner, collectively.

1.12. Railroad Right-of-Way. "Railroad Right-of-Way" means the right-of-way of any rail line registered with the California Public Utilities Commission, except for High-Speed Rail right-of-way.

1.13. Relocation. "Relocation" means alteration, removal, relocation, replacement, reconstruction, support, abandonment, protection or any other rearrangement of Facilities that are necessary in order to accommodate or permit construction of the HSR Project.

1.14. Right-of-Way of Facility Owner. "Right-of-Way of Facility Owner" means a property right held by the Facility Owner in the form of either a recorded or fully executed deed in the usual form or other recorded or fully executed valid instrument that conveys a permanent property right to the Facility Owner for the Facility to be located in a defined area of real property, including but not limited to a defined area within High-Speed Rail Property that is subject to a recorded Joint Use Agreement (JUA) or Consent To Common Use Agreement (CCUA).

1.15. Service Line. "Service Line" means (a) any Facility line, the function of which is to directly connect the improvements on an individual property (e.g., a single family residence or an industrial warehouse) to another Facility line located off such property, which other Facility line connects more than one such individual line to a larger system, and (b) any cable or conduit that supplies an active feed from Facilities to activate or energize governmental lighting and electrical systems, traffic control systems, communication systems or irrigation systems. The term Service Line also includes any Facility on public or private property that services structures located on such property.

This Agreement does not apply to Service Lines for which Authority is the regularly billed sole customer for the commodity provided, or as defined by California Public Utilities Commission. Where Facility Owner is the owner of a part of, or of a present undivided part interest in, any Facility, this Agreement shall apply to the extent of such interest.

1.16. Utility Agreement. "Utility Agreement" means an agreement between the Authority and the Facility Owner, authorizing and providing for the performance of specific work and/or services and/or the purchase of materials and equipment.

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2. SCOPE OF WORK

2.1. Work to be Completed

The work actually performed under this Agreement shall be all work necessary to accomplish Relocation of existing Facilities as necessitated by Authority's HSR Project.

A. Facility Work

Facility Work specific to a particular Facility's Relocation shall be detailed in subsequently executed Utility Agreement(s).

B. Utility Agreement

For each Relocation, Authority and Facility Owner shall enter into a project specific Utility Agreement setting forth, among other things, scope of work, schedule, cost, cost apportionment, billing, payment, documentation, documentation retention, accounting and coordination as it relates to Facility Work. If possible, where a project or projects will affect multiple facilities in a similar manner, the Parties shall enter into a single Utility Agreement that covers all similarly affected Facilities. Format of the Utility Agreement and its content shall be mutually agreed upon by the Parties.

C. Betterment

Any work considered Betterment shall be agreed upon in advance by the Parties and detailed in a Utility Agreement along with costs and allocation of responsibility for such costs to the Facility Owner.

2.2. Performance of Work

All Facility Work or portion thereof may be performed by the Facility Owner, or the Authority. Specific procedures that shall be followed in performance of Facility Work, along with costs and division of responsibility for cost, for the various portions of Facility Work shall be detailed in a Utility Agreement for that work.

A. Authority Performs Work

When all or a portion of Facility Work is to be performed by the Authority, the Facility Owner shall have access to all phases of Facility Work for the purpose of inspection to ensure that the work is completed in accordance with the Utility Agreement(s).

When performing the Facility Work during Facility Owner's irrigation season, the Authority will use best efforts to maintain the current flow of irrigation water to the Facility Owner's recipients. This statement is intended as a general acknowledgement of the importance to the Facility Owner of maintaining its flow of irrigation water. Should the Authority find it necessary to interrupt the Facility Owner's flow of irrigation water in any way, the specifics of that interruption, including, but not limited to, length of the interruption, methods of diverting water to maintain flow, and damages, if any, shall be determined by the Parties in a separate agreement.

The Authority shall submit a written notice of substantial completion of Facility Work to the Facility Owner.

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Upon receipt of the written notice of substantial completion of Facility Work from the Authority, Facility Owner shall accept ownership and maintenance of the constructed Facilities.

B. Facility Owner Performs Facility Work

When all or a portion of the Facility Work is to be performed by the Facility Owner, the Facility Owner agrees to provide and furnish all necessary labor, materials, tools, and equipment required, and to execute said work diligently to completion and to: (i) perform work with its own forces, or (ii) cause the work to be performed by a contractor, employed by Facility Owner pursuant to a written contract, or (iii) cause the work to be performed through a contract with a qualified bidder, selected pursuant to a valid competitive bidding procedure to perform work of this type.

Upon the issuance of a Notice to Owner, or as otherwise agreed upon in the specific Utility Agreement, the Facility Owner shall diligently undertake, or cause to be undertaken, the Facility Work in accordance with the agreed upon schedule.

The Facility Owner shall submit a written notice of completion of Facility Work to the Authority within 30 days of the completion of the Facility Work.

2.3. Partnering

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In signing this Agreement, the Facility Owner agrees to collaborate with the Authority, the Authority's Contractor (if applicable), and any other affected third-party entities, including regulatory agencies, local agencies, and other facility owners, hereinafter referred to as "Partners", to identify collaborative methods for resolving issues that may arise as part of the Facility Work.

Partners will attend an initial kick-off workshop as well as subsequent periodic meetings as scheduled throughout the duration of the HSR Project. During the initial workshop, Partners will develop procedures and agreements (including Utility Agreement(s)) as specified in Attachment 1, "PARTNERING," incorporated herein, facilitating the collaborative relationship and aid in identifying and resolving issues as they arise.

Reimbursement to the Facility Owner for the cost of participation in the initial workshop and subsequent partnering meetings shall be made by either the Authority or the Authority's Contractor, to be determined by Authority.

Subject to the requirements of the California Public Records Act and to the extent permitted by law, neither the language of this clause, including the language in Attachment 1, nor any statements made or materials prepared during or relating to partnering meetings, including any statements made or documents prepared by the facilitator, shall be admissible or discoverable in any judicial or other dispute resolution proceeding.

3. LIABILITY AND PAYMENT FOR WORK

3.1. Liability

A. Unless otherwise agreed to, liability for the cost of Facility Work shall be determined as follows:

i. When the Authority requires Facility Owner to remove any Facility lawfully maintained in any High-Speed Rail Property to a location entirely outside High-Speed Rail Property, the

Authority shall pay the reasonable and necessary cost of the removal. This includes both the cost of removal and the cost of Relocation to a new location outside of the High-Speed Rail Property.

ii. When the Authority requires Facility Owner to remove any Facility lawfully maintained outside High-Speed Rail Property to another location entirely outside High-Speed Rail Property, the Authority shall pay the reasonable and necessary cost of removal. This includes the cost of removal and the cost of Relocation to a new location outside of the High-Speed Rail Property.

iii. The Facility Owner shall pay the reasonable and necessary cost of removal when the Relocation of a Facility from one point in High-Speed Rail Property to another point in that property, including Relocation in any service road of the High-Speed Rail Property or from one point of crossing of the High-Speed Rail Property to another reasonable point of crossing. This includes the cost of removal and the cost of Relocation to another point in High-Speed Rail Property.

iv. When the Authority requires a publicly owned Facility to relocate within High-Speed Rail Property any Facility lawfully maintained in that property that was not used for high-speed rail purposes at the time the Facility was originally installed, the Authority shall pay the cost of Relocation.

v. A permit containing a contractual obligation that was accepted by the Facility Owner for maintenance or minor improvement of the Facility after the property became High-Speed Rail Property shall not constitute a contractual obligation to relocate a Facility at its own expense within the meaning of this section.

vi. Publicly owned sewers and fire hydrants and any street lighting structure, whether publicly or privately owned, in any High-Speed Rail Property shall be relocated, where necessary, at the expense of the Authority.

B. Nevertheless, Facility Owner will be liable for Facility work where:

i. Facility Work is a Betterment; or

ii. The Facility Owner is unable to produce documentation of Right-of-Way of Facility Owner where its Facility is located.

3.2. Cost of Facility Work

If the Authority has cost liability, then reimbursable costs shall be the costs of actual and necessary Facility Work including reasonable and actual indirect and overhead charges attributable to that work, and any necessary new private Facility right-of-way required to perpetuate existing rights involved in the Relocation, except:

A. The Authority shall be entitled to credits as follows:

i. The amount of any Betterment.

ii. The salvage value of any materials or parts salvaged and retained by Facility Owner.

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iii. If a new Facility or portion thereof is constructed to accomplish such Relocation, an amount bearing the same proportion to the original cost of the displaced facility or portion thereof as its age bears to its normal expected life.

$$\text{Credit} = \frac{\text{Age of facility}}{\text{Normal expected life}} \times \text{Original cost}$$

3.3. Claims by the Authority's Contractor

In the event the Authority's Contractor makes any claim against the Authority relating to Facility Work, the Authority will notify the Facility Owner of the claim and the Facility Owner will cooperate with the Authority in assessing and resolving the claim within a reasonable time. Any resolution of any portion of the claim directly between the Facility Owner and the Authority's Contractor shall be in writing, shall be subject to written concurrence by the Authority, and shall specify the extent to which it resolves the claim against the Authority. The Authority shall not allow any condition to exist regarding the Authority or Authority's Contractors' Facility Work that would allow anyone to impose a lien on Facility Owner's lands or Facilities.

Since Facility Work may be reimbursable to the Facility Owner under this Agreement, the Authority may withhold reimbursement to the Facility Owner until final resolution (including any actual payment required) of all claims relating to Facility Work. The right to withhold shall be limited to actual claim payments made by the Authority to the Authority's Contractor.

3.4. Hazardous Materials

Upon discovery of Hazardous Material in connection with the Relocation, both Facility Owner and Authority shall immediately confer to explore all reasonable alternatives and agree on a course of action. Authority will pay, in its entirety, those costs for additional necessary effort undertaken by Facility Owner to comply with existing statutes or regulations concerning the disposition of Hazardous Material found as a consequence of that Relocation, unless such conditions are attributable to Facility Owner's existing installation or operation.

Each Party to this Agreement retains the right to pursue recovery of its share of any such Hazardous Material related costs from the other Party or third parties in accordance with law.

4. DISPUTES

The Authority and the Facility Owner agree that, as a general principle, the Parties shall identify and engage in measures to prevent and resolve potential sources of conflict before they escalate into disputes through a process involving partnering, collaboration and cooperation, which shall attempt to identify and resolve potential disputes without resort to formal legal process. Such process shall include establishing for each phase of the HSR Project impacting Facilities a hierarchy of individuals within each Party's organization to whom issues may be addressed as they arise in order to resolve such issues before they are elevated to the next level in the hierarchy, and periodic meetings at the request of either Party to review the ongoing status of the HSR Project and the Facility Work.

In the event the Facility Owner disagrees with a determination or direction made by the Authority in connection with the Facility Work, the Facility Owner shall provide prompt written notice of its objection to Authority, including the reasons for such objection. Thereafter, the Parties shall attempt to resolve the potential dispute

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through the partnering process, which may include escalation through the hierarchy established for the partnering process, at either Party's request. If the dispute persists after the conclusion of such partnering, then the Facility Owner may request a written statement from the Authority concerning its decision. The request must be made within 45 days after the conclusion of such partnering. The request shall clearly state, and in detail, the basis for the objection, a statement of the facts asserted, and the nature and amount of the costs involved. The Authority shall provide written notice of such decision, including a copy to the Facility Owner. Authority's failure to provide a written decision shall be deemed denial of Facility Owner's objection. The Authority's decision shall be final and conclusive unless, the Facility Owner appeals such decision by written notice to the Authority, on or before 45 days from the date of such decision, or if no written decision is received from the Authority, 45 days from the Facility Owner's written objection.

If the Facility Owner appeals the Authority's decision, the Facility Owner shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. The Authority shall either issue a modified decision within two weeks from the date of the hearing, or if no hearing is requested then from the date of Facility Owner's notice of appeal, such prior decision shall be deemed affirmed. If the dispute remains after such decision, then either Party may refer the dispute to binding arbitration, if within 45 days after such decision is issued or deemed affirmed.

If either Party within the timeframe selected above, elects to refer a dispute to binding arbitration, then within 45 days after such election to arbitrate, the Parties will seek to appoint a panel of three arbitrators with not less than 10 years of experience each in complex construction disputes involving public works transportation projects. If the Parties cannot agree on a panel of three arbitrators, then each Party shall appoint one arbitrator, with the two so selected choosing the third arbitrator; in each instance, such arbitrator shall meet the relevant qualifications. The arbitration proceeding shall be conducted in accordance with the procedures specified in California Public Contract Code Section 10240 et seq. and the implementing regulations thereto. The decision of the arbitrators shall be binding on the Parties and any judgment on the award there rendered may be entered in the Superior Court for Sacramento County. Each Party to pay its own arbitration costs.

If it is determined, on appeal, that the Authority's interpretation of this Agreement, direction to the Facility Owner, or any other action required by the Authority's decision was an erroneous determination of the rights and obligations of the Parties under this Agreement, the Facility Owner's claim and any award by resolver of the dispute shall be limited to the incremental costs incurred by the Facility Owner with respect to the disputed matter as a direct result of such erroneous determination (crediting the Authority for any corresponding reduction in the Facility Owner's other costs) and shall in no event exceed the amounts allowed herein with respect thereto.

At all times during the course of the dispute resolution process, the Facility Owner shall continue with or permit the continuance of the Facility Work as directed, in a diligent manner, and without delay; shall conform to any of the Authority's responses, decisions, or orders; and shall be governed by all applicable provisions of this Agreement. Records of the Facility Work shall be kept in sufficient detail to enable payment in accordance with applicable provisions in this Agreement irrespective of the ultimate outcome of any dispute.

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5. GENERAL CONDITIONS

5.1. Default

In the event that the Authority breaches any provision of this Agreement, then in addition to any other remedies which are otherwise provided for in the Agreement or by law, the Facility Owner may pursue a claim for damages.

In the event that the Facility Owner breaches any provision of this Agreement, then in addition to any other remedies which are otherwise provided for in this Agreement or by law, the Authority may exercise one or more of the following options:

A. Pursue a claim for damages suffered by the Authority.

B. Perform any work with its own forces or through Authority's Contractor and seek repayment for the cost thereof.

5.2. Termination

Either Party, upon six month's written notice, may terminate this Agreement, except that, notwithstanding that termination, the provisions of this Agreement shall remain in full force and effect with respect to any Relocation of Facilities required under a Utility Agreement/Notice to Owner issued prior to the Agreement termination.

5.3. Affected Facility and Right of Way

Whenever affected Facilities will remain within the existing Right-of-Way of Facility Owner and these Facilities will fall within the High-Speed Rail right-of-way, Authority and Facility Owner shall execute a Consent to Common Use Agreement which agreement shall also confirm any prior rights held by Facility Owner in said Right-of-Way of Facility Owner.

Whenever affected Facilities will be relocated from the existing Right-of-Way of Facility Owner to a new location that falls outside such existing Right-of-Way of Facility Owner and not in Railroad Right-of-Way or in public right of way, the Authority shall convey a new right-of-way for such relocated Facilities as will correspond to the existing Right-of-Way of Facility Owner. For such Relocations, the Authority shall issue, or cause to be issued, to Facility Owner, without charge to Facility Owner or credit to Authority, appropriate replacement rights in the new location mutually acceptable to both Authority and Facility Owner for those rights previously held by Facility Owner in its existing private right-of-way. In discharge of Authority's obligations under this Paragraph, in the event that the new location falls within the High-Speed Rail right-of-way, Authority and Facility Owner shall execute a Joint Use Agreement for joint use of said new area which agreement shall also confirm any prior rights held by Facility Owner in said Right-of-Way of Facility Owner. In consideration for these replacement rights being issued by Authority, Facility Owner shall subsequently convey to Authority, or its nominee, within Authority's right-of-way, all of its corresponding right, title and interest within Facility Owner's existing private right-of way so vacated.

If the existing Right-of-Way of Facility Owner includes fee title, Authority shall acquire from Facility Owner, for just compensation under State law, those property rights required by Authority for the public railway by separate

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transaction, leaving to Facility Owner those remaining property rights appropriate for the placement and operation of Facilities in the Right-of-Way of Facility Owner.

If any replacement real property rights are required in Railroad Right-of-Way, then the Authority will make reasonable efforts to obtain those rights for the Facility Owner. Nevertheless, if Authority cannot obtain those replacement real property rights Facility Owner shall obtain those rights.

5.4. Applicability

Except as otherwise provided in this Agreement, this Agreement applies to the Relocation of Facilities to accommodate or permit construction of the HSR Project as let by the Authority. This Agreement explicitly excludes any facility that generates solar power, solar electricity, or any other similar solar commodity and its necessary appurtenances.

5.5. Modification.

This Agreement may be amended, changed or altered by mutual consent of the Parties in writing.

5.6. Severability.

Any provision hereof found to be unlawful or unenforceable shall be severable and shall not affect the validity of the remaining portions hereof.

5.7. Time is of the Essence.

Time shall be of the essence of this Agreement.

5.8. Successors and Assigns.

This Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Parties.

5.9. Agreement Final Expression of the Parties.

This Agreement constitutes the complete and final expression of the Parties with respect to the subject matter and supersedes all prior agreements, understandings, or negotiations.

5.10. Governing Law and Venue

This Agreement shall be governed by the laws of the State of California. Any provision herein found to be unlawful or unenforceable shall be severable and shall not affect the validity of the remaining portions herein.

Venue for any action shall lie exclusively in Sacramento County, California pursuant to Public Utilities Code Section 185038.

5.11. Audits

Facility Owner agrees that the Authority, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Facility Owner agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is

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stipulated. Facility Owner agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Facility Owner agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5.12. Notices

All required notices may be sent by first class United States Mail, facsimile transmission, hand delivery, or express mail. Each Party shall have a continuing obligation to notify the other Party of the appropriate persons for notices to be sent pursuant to this Agreement. Unless otherwise notified in writing, notices shall be sent to the following addresses:

If to FACILITY OWNER:

Alpaugh Irrigation District:	Alpaugh Irrigation District
Person in Charge:	James Atwell, General Manager
Address:	P.O. Box 129
	Alpaugh, CA 93201

And

Alpaugh Irrigation District Legal Counsel:	The Law Offices of Young Wooldridge, LLP
Person in Charge:	Jeffrey J. Patrick
Address:	1800 30th St., 4th Floor
	Bakersfield, CA 93301

If to AUTHORITY:

Authority:	CALIFORNIA HIGH-SPEED RAIL AUTHORITY
Person in Charge:	Thomas Fellenz, Chief Counsel
Address:	770 L Street, Suite 800
	Sacramento, CA 95814

5.13. State and Federal Grant Conditions

No State or Federal funds or resources are allocated or encumbered as against this Agreement and Authority's obligations and duties expressed herein are conditioned upon sufficient funds being made available to the Authority by the California State Legislature or the United States Government for the purpose of the HSR Project.

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Parties agree that Utility Agreement(s) and other agreements requiring payment from the Authority may be subject to additional State and Federal requirements.

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IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement effective the day and year last written below.

ALPAUGH IRRIGATION DISTRICT

By _____ _____
James Atwell Date
General Manager

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

By _____ 6-18-14
Jeff Morales Date:
Chief Executive Officer

Approved as to form:

By _____ 6/13/14
Thomas Fellenz Date:
Chief Counsel

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ATTACHMENT 1: PARTNERING

In order to effectively accomplish the HSR Project, a collaborative relationship will be formed as agreed to by Parties in Section 2.3 "PARTNERING". As part of this collaborative relationship, a cooperative management team will be developed to achieve a quality project within budget and on schedule. Collaboration is strongly encouraged in preference to formal dispute resolution and adjudication mechanisms. Collaboration in this context is intended to be mandatory, but non-binding. The identified procedures will be available for use by the Partners to resolve issues that may arise during the performance of Facility Work.

1. INITIAL KICK-OFF WORKSHOP

In order to achieve effective and efficient completion of the HSR Project the Partners agree to conduct a kick-off workshop where they will identify issues for resolution that are present or foreseeable and engage in joint problem solving and action planning on the issues identified.

At a minimum, during this workshop, participants will develop the following procedures and agreements to facilitate the collaborative relationship and aid in identifying and resolving issues as they may arise throughout the HSR Project:

"Issues Resolution Ladder" (IRL) – a hierarchy of those individuals within the HSR Project including the Partners and extending across organizational boundaries to address issues as they arise to facilitate communication and address issues before those issues are elevated to the next ladder rung.

"Partnering Implementation Plan" (PIP) – the intention of the PIP is to sustain the collaborative relationship after the kick-off meeting by establishing monthly or quarterly schedule of partnering meetings and any procedures necessary for the identification and resolution of any issues during the performance of the Facility Work to be addressed by the Partners.

"Partner Charter" – the charter will express the vision for the project, a statement of mutual goals and positive behavior practices and will be a visual reminder of mutual commitment to the partner vision, goals and relationship. The charter will be signed by all Partners.

2. PARTNERING MEETINGS

The purpose of the partnering meetings will be to evaluate the efficacy of the collaborative relationship and review its processes as necessary to improve or correct any procedures/practices and efficiently identify and resolve the issues.

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