

MIDWAY CITY SANITARY DISTRICT

**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
DISTRICT OFFICE
BOARD ROOM
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683**

**Tuesday, July 16, 2024
5:30 P.M.**

OUR MISSION STATEMENT

THE BOARD OF DIRECTORS AND EMPLOYEES OF THE MIDWAY CITY SANITARY DISTRICT WORK DILIGENTLY TO PROVIDE SEWER AND SOLID WASTE SERVICES TO THE RESIDENTS OF THE DISTRICT. OUR TOP PRIORITY IS TO ACCOMPLISH THIS IN AN ETHICAL, EFFICIENT, AND COST-EFFECTIVE MANNER THAT WILL PROTECT THE HEALTH AND SAFETY OF THOSE WE SERVE.

In accordance with the requirements of California Government Code Section 54954.2, this Agenda is posted not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done in compliance with Section 54954.2, or as set forth on a Supplemental Agenda posted not less than 72 hours prior to the meeting.

Please Note: The District complies with the provisions of the Americans with Disabilities Act (ADA). Anyone needing special assistance please contact the District's Secretary at (714) 893-3553, at least one business day prior to the meeting so that we may accommodate you.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND INVOCATION

2. ROLL CALL AND DECLARATION OF QUORUM

3. PUBLIC COMMENTS

All persons wishing to address the Board on specific Agenda items or matters of general interest should do so at this time. As determined by the President, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to three (3) minutes.

4. PRESENTATIONS

None.

5. APPROVAL OF THE MINUTES

A. Approve Minutes of the Regular Board of Directors Meeting on July 2, 2024

6. REPORTS

The President, General Manager, Legal Counsel, and other staff present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

- A. Report of President
- B. Report of General Manager
- C. Report of Director of Services & Program Development
- D. Report of Calendar Committee Meeting on July 10, 2024
- E. Report of Radio Outreach with Radio Bolsa on July 9, 2024

7. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and will be acted upon at the same time unless separate discussion and/or action is requested by a Board Member, the public, or staff.

- A. Receive and File the Register of Demands in the Amount of \$1,207,492.21
- B. Approve and File the Treasurer's Investment Report for June 2024
- C. Received and File the Engineer Report for June 2024

8. OLD BUSINESS

None.

9. NEW BUSINESS

- A. Consider Approval of Updated Agreements with Clean Energy Renewable Fuels, LLC for the Sale and Purchase of Natural Gas
- B. Consider Purchase of One (1) New Trailer Mounted Portable Generator

10. INFORMATIONAL ITEMS

- A. Independent Special Districts of Orange County (ISDOC) Quarterly on Luncheon July 25, 2024
- B. Notification of Evaluation and Review for Midway City Sanitary District's Waste Diversion Programs

11. BOARD CONCERNS AND COMMENTS**12. GM/STAFF CONCERNS AND COMMENTS****13. GENERAL COUNSEL CONCERNS AND COMMENTS****14. CLOSED SESSION ITEMS**

None.

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

15. ADJOURNMENT TO TUESDAY, AUGUST 6, 2024

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683**

July 2, 2024

CALL TO ORDER:

President M. Nguyen called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Street, Westminster, California on Tuesday, July 2, 2024 at 5:34 P.M.

BOARD MEMBERS PRESENT:

Mark Nguyen
Tyler Diep
Sergio Contreras
Andrew Nguyen

STAFF MEMBERS PRESENT:

Robert Housley, General Manager
Ashley Davies, Director of Servs. & Program Development
Milo Ebrahimi, District Engineer, P.E
Cynthia Olsder, Board Secretary

DIRECTORS ABSENT:

Chi Charlie Nguyen

OTHERS PRESENT:

James H. Eggart, General Counsel Woodruff & Smart
Chris Palmer, Sr. Public Affairs Field Coordinator California Special Districts Association (CSDA)

PLEDGE OF ALLEGIANCE AND INVOCATION:

Director A. Nguyen led the Pledge of Allegiance. Director S. Contreras gave the Invocation.

PUBLIC COMMENTS:

None.

PRESENTATIONS:

C. Palmer provided an update on legislative and reviewed the benefits and resources available to CSDA members.

APPROVAL OF MINUTES:

A. Approve minutes of the Regular Board of Directors meeting on July 2, 2024

A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to approve the minutes of the regular meeting on July 2, 2024. The motion was approved by the following 4-0 vote:

AYES: A. Nguyen, T. Diep, M. Nguyen, S. Contreras

NAYS:

ABSTAIN:

ABSENT: C. Nguyen

REPORTS:**Report of President**

None.

Report of the General Manager

GM R. Housley provided updates on events occurring at the District.

Report of the Director of Services & Program Development

Director of Services & Program Development A. Davies reported on the outreach activities she will be participating in this coming week. She will be representing the District at two public library events, as well as giving a tour of the District for the after-school program. She also provided updates on the compost event and on the CR&R bill insert for the commercial recycling program guide.

Report of Franchise Committee Meeting on June 24, 2024

Director T. Diep and Director C. Nguyen reported that they attended the meeting and discussed short- and long-term goals and priorities, SB 1383 inspections, food waste program opportunities, and other opportunities to work together to serve the community.

Report of District Employee Luncheon on June 26, 2024

Director A. Nguyen and Director C. Nguyen attended the event and said it was a good turnout and that it was an excellent chance to catch up with everybody.

Report of the OC San Board of Director's Meeting on June 26, 2024

Director A. Nguyen reported that at the meeting the proposed FY 2024-25 and FY 2025-26 budget got approved. He also mentioned how well-attended the OC San's 70th anniversary open house was and expressed gratitude to the staff for putting up an informational booth.

CONSENT CALENDAR:

- A. Receive and File the Register of Demands in the Amount of \$1,117,937.63
- B. Approve the June 24, 2024 Franchise Committee Report
- C. Approve and Authorization for General Manger to Execute Professional Services Agreement with Murex Environmental Inc. For Groundwater Investigation and Environmental Services

A motion was made by Director T. Diep, seconded by Director A. Nguyen, to approve the Consent Calendar. The motion was approved by the following 4-0 vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, S. Contreras

NAYS:

ABSTAIN:

ABSENT: C. Nguyen

OLD BUSINESS:

None.

NEW BUSINESS:

- A. A **RESOLUTION NO. 2024-17** OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, DETERMINING THERE IS NO LONGER A NEED FOR THE IMMEDIATE EXPENDITURE OF FUNDS FOR THE EMERGENCY ACTION FOR THE REPAIR, REPLACEMENT, AND LINING OF DAMAGED SEWER LINES, REMOVAL AND REPLACEMENT OF A MANHOLE, AND RELATED STREET REPAIRS IN WEBBER PLACE BETWEEN MANHOLE 2006 AND MANHOLE 2005 AND IN PEMBROOK LANE BETWEEN MANHOLE 2006 AND MANHOLE 2019 AND PROCLAIMING THE TERMINATION OF THE EMERGENCY ACTION

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director T. Diep, seconded by Director S. Contreras, to adopt Resolution No. 2024-17 as presented at the meeting. The motion was approved by the following 4-0 roll call vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, S. Contreras

NAYS:

ABSTAIN:

ABSENT: C. Nguyen

- B. Discuss and Consider California Special Districts Association (CSDA) Board of Directors Election Ballot-Term 2025-2027; Seat A-Southern Network

A staff report and recommendations were provided to and considered by the Board.

No action taken.

- C. Consider the Purchase of One (1) New 20ft Stake-bed Electric Vehicle (EV)

A staff report and recommendations were provided to and considered by the Board. A motion was made by Director T. Diep, seconded by Director A. Nguyen, to approve the purchase of one new 20ft stake-bed EV with lift gate from Velocity Truck Centers in the amount of \$210,388.31 and authorize the General Manager to execute all necessary documents for said purchase and to expend up to an additional \$10,000 for unanticipated associated expenditures or pricing changes resulting from supply chain or production issues. The motion was approved by the following 4-0 call vote:

AYES: A. Nguyen, M. Nguyen, T. Diep, S. Contreras

NAYS:

ABSTAIN:

ABSENT: C. Nguyen

INFORMATIONAL ITEMS:

None.

BOARD CONCERNS AND COMMENTS:

The Directors thanked Staff.

GM/STAFF CONCERNS AND COMMENT:

None.

GENERAL COUNSEL CONCERNS AND COMMENTS:

General Counsel J. Eggart provided an update on pending legislation pertaining to the District.

CLOSED SESSION:

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

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ADJOURNMENT:

President M. Nguyen adjourned the meeting at 6:22 P.M. to the next Board Meeting to be held at the District on Tuesday, July 16, 2024, at 5:30 P.M.

Andrew Nguyen, Secretary

AGENDA ITEM 7A

Date: July 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Mariana Sanchez, Accountant

Subject: Receive and File the Register of Demands in the Amount of \$1,207,492.21

BACKGROUND

The laws of the State of California governing Special Districts provide that the Midway City Sanitary District Board of Directors shall review for approval all payments made by the District.

A Register of Demands is provided at each regular Midway City Sanitary District Board Meeting describing each payment made or to be made by the district during the specified period. The report is designed to communicate fiscal activity based on adopted and approved budget appropriations.

The Treasurer has duly reviewed the demands on the attached register.

FISCAL IMPACT

The total value of demand for this period is \$1,207,492.21. This includes expenses, payroll, and payroll-related disbursements.

Sufficient funds are available to process all payments.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors review and file the attached Register of Demands.

ATTACHMENTS

1. Disbursement Details for July 16, 2024

Midway City Sanitary District
Accounts Payable Expenditures, Payments, Payroll, and ACH Payment(s) Report
Prepared for Board Meeting held on July 16, 2024

Type	Num	Date	Name	Memo	Paid Amount
Check	15822	07/05/2024	Advanced Thermal Products, Inc	PO # 425NG-15	
Bill	240707	07/01/2024		Firewall insulation for NG15	2,142.00
					2,142.00
Check	15823	07/05/2024	Advanced Workplace Strategies, Inc.	Cust #1973	
Bill	622550	06/25/2024		DOT Random Testing (3)	119.95
				DOT Random Testing (2)	123.90
				DOT Random Testing (1)	66.95
					310.80
Check	15824	07/05/2024	Atlas Radiator, Inc.	PO# 28559 Order # 204712	
Bill	69269	06/27/2024		Rebuilt Radiator NG-8	3,141.15
					3,141.15
Check	15825	07/05/2024	Ayala's Car Wash	Fleet Wash 06/26/24	
Bill	1612	06/26/2024		Fleet Wash (12) 06/26/24	480.00
					480.00
Check	15826	07/05/2024	Betts Truck Parts & Service	PO # 28560	
Bill	05P19334	06/24/2024		T-Beam Assy. w/Bushings (2)	1,711.41
					1,711.41
Check	15827	07/05/2024	Cameron Welding Supply		
Bill	1643573-00	06/21/2024		Nozzle (4), .045 Contact Tip (25), Conduit Assembly (1), Gas Diffuser (4), Driver Roll Kit (1)	117.98
Bill	1644249-00	06/25/2024		Redline Grind Whl 4 1/2 w/hub (10), Grind Wh Steel Stainless (5), Cut off Wheel (25), CO2 Compre...	262.26
Bill	1644385-00	06/26/2024		Propane, Liquefied 2.1 (3)	121.64
					501.88
Check	15828	07/05/2024	City of Westminster-Water Billing		
Bill	8456005 061824	06/18/2024		Hammon Lift Station 04/16/24 - 6/11/24	19.45
Bill	8451607 0624	06/18/2024		Westminster Lift Station 04/15/24 - 06/10/24	20.23
					39.68
Check	15829	07/05/2024	Clean Energy	Cust # 124470 Order # FSOW1445703	
Bill	CEW12695141	06/28/2024		CNG Station Service 06/17/24	1,957.16
					1,957.16
Check	15830	07/05/2024	Cummins Pacific LLC		
Bill	X5-86755	06/14/2024		Harness, Wiring (1)	301.85
Bill	X5-86868	06/17/2024		Belt, V Ribbed (3)	268.18
Bill	X5-87564	06/19/2024		Hose, Molded (1) for NG-6	45.23
					615.26
Check	15831	07/05/2024	Dong Tran	Refund - Overpayment	
Bill	Permit# 7439	07/03/2024		Refund of overpayment for Permit# 7439	179.69
					179.69
Check	15832	07/05/2024	Empire Pipe Cleaning and Equipment, Inc.	CCTV Video Inspection & Cleaning Project	
Bill	12586	05/30/2024		Cleaning and CCRC Inspection of all 8" Gravity Sewer Mains (122815.00 LF)	175,625.45
				Cleaning and CCRC Inspection of all 10" Gravity Sewer Mains (3901.00 LF)	6,826.75
				Cleaning and CCRC Inspection of all 12" Gravity Sewer Mains (2736.10 LF)	5,663.73
				Cleaning and CCRC Inspection of all 15" Gravity Sewer Mains (2504.80 LF)	6,111.71
				Inspection of all District's Manholes - All sizes and types (245)	42,875.00
					237,102.64
Check	15833	07/05/2024	Frog Environmental	WDID: 8 30I005637	
Bill	INV-020402	07/01/2024		IGP Storm Water Monitoring 07/01/2024 - 12/31/2024	1,298.00
					1,298.00
Check	15834	07/05/2024	Frontier Communications	Acct # 209-188-5155-071808-5	
Bill	MCSD 06/19/2024	06/19/2024		(714)903-1863 Willow May - 2024	187.74
				(714)903-6154 Westminster May - 2024	187.74
				(714)903-6274 Hammon May - 2024	187.74
				(714)897-5136 District Offices May - 2024	99.61
					662.83

Check	15835	07/05/2024	HB Staffing/Cathyjon Enterprises, Inc.		
Bill	4408321	06/20/2024		Administrative Assistant 06/12/24 - 06/13/24	477.75
				Engineering Asisstant 06/10/24 - 06/14/24	817.97
Bill	4412272	06/27/2024		Engineering Asisstant 06/17/24 - 06/20/24	901.73
					2,197.45
Check	15836	07/05/2024	Motion and Flow Control Products, Inc.		
Bill	9162813	06/26/2024		Crimp 1" Male (4), Crimp 1/4" Female (10), Parker FM JIC Swivel (10), Crimp 1/2" Female (75), 12...	3,467.08
Bill	9167620	07/01/2024		Parker JIC Swivel (12)	1,475.71
					4,942.79
Check	15837	07/05/2024	Paychex - Employee Screening	Acct # Y4807254	
Bill	14022019	06/26/2024		Employee Screening	57.00
					57.00
Check	15838	07/05/2024	Performance Pipeline Technologies	8" CIPP Line 350' Shawnee Road MH 458-419	
Bill	3570	06/21/2024		8" Sewer Main on Webber Place and Pembrook Lane in Westminster	37,772.00
					37,772.00
Check	15839	07/05/2024	Pre-Paid Legal Services, Inc.	Group #155124	
Bill	155124 062524	06/25/2024		Prepaid Legal June-2023	33.90
					33.90
Check	15840	07/05/2024	PSI		
Bill	45710	06/21/2024		VP Wand w/Landa Gun for wash rack	146.81
					146.81
Check	15841	07/05/2024	Radio Bolsa Corp.	BS 2023 2027d	
Bill	4334	06/01/2024		Radio talkshows (6) 20Min Recorded 05/15/24 - 6/05/24	2,000.00
					2,000.00
Check	15842	07/05/2024	SDRMA - Property/Liability	Member #7732	
Bill	76092	07/01/2024		Property Liability Ins FY 2024-25	115,046.75
				Property Liability Ins FY 2024-25	112,623.41
				Property Liability Ins FY 2024-25	126,439.90
				Property Liability Ins FY 2024-25	206,611.48
					560,721.54
Check	15843	07/05/2024	SDRMA - Workers' Compensation	Workers' Comp FY24-25	
Bill	75870	06/05/2024		Workers' Comp FY24-25	17,385.81
				Workers' Comp FY24-25	12,571.97
				Workers' Comp FY24-25	408.95
				Workers' Comp FY23-24	64,000.02
				Workers' Comp FY24-25	5,474.77
					99,841.52
Check	15844	07/05/2024	SoCal Auto & Truck Parts, Inc.	PO# 28554	
Bill	613741	06/24/2024		134A Freon for G-5	83.64
					83.64
Check	15845	07/05/2024	Spectrum Enterprise (Time Warner Cable)	Acct # 8448 40 013 0973956	
Bill	0973956062024	06/20/2024		June-2024	111.35
					111.35
Check	15846	07/05/2024	Standard Insurance Company Life	Policy # 00 141873 0003	
Bill	001417830003 07/2024	07/01/2024		July - 2024	594.16
				July - 2024	196.32
				July - 2024	238.96
				July - 2024	424.40
				July - 2024	96.00
					1,549.84
Check	15847	07/05/2024	Streamline	7371B307	
Bill	7371B307-0033	07/01/2024		Website hosting 07/01/24 - 07/01/25	4,500.00
					4,500.00
Check	15848	07/05/2024	Tell Steel	PO# 28548	
Bill	22796	06/24/2024		1/4" HR Plate (2)	2,084.71
					2,084.71
Check	15849	07/05/2024	Underground Service Alert	MCSDDIST	
Bill	620240445	06/30/2024		Underground Dig Alerts June-2024 (11)	19.25
					19.25
Check	15850	07/05/2024	UniFirst Corporation		
Bill	2190194875	06/28/2024		June - 2024	211.50
Bill	2190194876	06/28/2024		June - 2024	77.24

Bill	2190194877	06/28/2024		June - 2024	69.66
Bill	2190194878	06/28/2024		June - 2024	16.23
					374.63
Check	15851	07/05/2024	Viet Link Radio	02/15/24 - 02/26/24	
Bill	June-2024	06/28/2024		Radio outreach (8) 06/10/24 - 06/23/24	2,000.00
					2,000.00
Check	15852	07/05/2024	Wild West Lift Trucks		
Bill	4627	05/06/2024		Repairs/service for forklift	2,168.20
					2,168.20
Check Total					\$970,747.13
ACH Payment		06/26/2024		Funds Transfer 457(b) Salary Reduction	
				Funds Transfer 457(b) Salary Reduction	3,831.76
					3,831.76
ACH Payment		06/26/2024		Funds Transfer 457(b) Roth	
				Funds Transfer 457(b) Roth	2,902.20
					2,902.20
ACH Payment	1002671853	06/28/2024	CalPERS-Retirement	6882866561	
Bill	06/10/24 - 06/23/24	06/23/2024		Earned Period 06/10/24 - 06/23/24	1,826.49
				Earned Period 06/10/24 - 06/23/24	3,189.75
				Earned Period 06/10/24 - 06/23/24	3,511.42
				Earned Period 06/10/24 - 06/23/24	1,336.36
					9,864.02
ACH Payment	1002671854	06/28/2024	CalPERS-Retirement	6882866561	
Bill	06/10/24 - 06/23/24	06/23/2024		Earned Period 06/10/24 - 06/23/24	1,637.19
				Earned Period 06/10/24 - 06/23/24	2,859.15
				Earned Period 06/10/24 - 06/23/24	3,147.48
				Earned Period 06/10/24 - 06/23/24	1,197.84
					8,841.66
ACH Payment	1002671855	06/28/2024	CalPERS-Retirement	6882866561	
Bill	06/10/24 - 06/23/24	06/23/2024		Earned Period 06/10/24 - 06/23/24	129.83
				Earned Period 06/10/24 - 06/23/24	226.75
				Earned Period 06/10/24 - 06/23/24	249.62
				Earned Period 06/10/24 - 06/23/24	95.00
					701.20
ACH Payment	1002671857	07/01/2024	CalPERS - Health Benefits	6882866561	
Bill	17575661	07/01/2024		2024_07	9,527.02
				2024_07	29,682.42
				2024_07	15,514.45
				2024_07	5,997.76
				2024_07	3,000.44
				2024_07	6,708.16
				2024_07	7,263.73
				2024_07	448.15
					78,142.13
ACH Payment	1002671864	07/01/2024	CalPERS - Health Benefits	6882866561	
Bill	17575664	07/01/2024		2024_07	7,035.87
					7,035.87
ACH Payment	47434555724	07/02/2024	US Bank Corporate Payment System	Acct # 4246 0445 5568 5498	
Bill	42460445556854980624	06/24/2024		CAL-Card Expenses June-2024	17,625.62
					17,625.62
ACH Payment		07/05/2024		Funds Transfer 457(b) OBRA-PST	
				Funds Transfer 457(b) OBRA-PST	1,017.00
					1,017.00
ACH Payments Total					\$129,961.46
Payroll		07/05/2024		Board Payroll	8,341.33
Payroll		07/10/2024		Employee Payroll	98,442.29
Payroll Total					\$106,783.62
Total Disbursements					\$1,207,492.21

Transfers					
Transfer		06/30/2024		Woodcliff Corporation Chk No.15636	
				Woodcliff Corporation Chk No.15636	63,400.85
					63,400.85
Transfer		06/30/2024		Woodcliff Corporation Chk No.15648	
				Woodcliff Corporation Chk No.15648	106,097.88
					106,097.88
Transfer		06/30/2024		Woodcliff Corporation Chk No.15739	
				Woodcliff Corporation Chk No.15739	63,400.85
					63,400.85
Transfer		06/30/2024		Woodcliff Corporation Escrow Acct Chk No.15767	
				Woodcliff Corporation Escrow Acct Chk No.15767	4,935.44
					4,935.44
Transfer		06/30/2024		Woodcliff Corporation Escrow Acct Chk No.15740	
				Woodcliff Corporation Escrow Acct Chk No.15740	3,985.55
					3,985.55
Transfer		06/30/2024		Woodcliff Corporation Escrow Acct Chk No.15637	
				Woodcliff Corporation Escrow Acct Chk No.15637	3,336.89
					3,336.89
Transfer		07/01/2024		Funds Transfer LAIF to US Bank Chk	
				Funds Transfer LAIF to US Bank Chk	1,000,000.00
					1,000,000.00
Transfers Total					\$1,245,157.46

AGENDA ITEM 7B

Date: July 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Robert Housley, General Manager

Subject: Approve and File the Treasurer’s Investment Report for June 2024

BACKGROUND

Midway City Sanitary District’s investment policy requires a monthly investment report, which includes all financial investments of the district and provides information on the investment type, value, and yield available for all investments. The report also provides the Board of Directors with an update on the balances of the District’s various funds.

Per the State Government Code 53600 et seq., and the Midway City Sanitary District’s (District) Investment Policy, the District may invest up to a maximum percentage of the entire portfolio funds in authorized financial investments.

The following table shows a summary of the District’s authorized financial investments, the yield available as of the preparation of this report, the book and market value of the District’s funds, the percentage of the District’s pooled funds that are invested in each financial investment, and the maximum percentage (or dollar limit), allowable per the State Government Code and the District’s investment policy.

MCSD’s total invested cash as of June 30, 2024, is \$54,605,430.60

INVESTMENT	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE	MARKET VALUE	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
				AS OF 6/30/2024	AS OF 6/30/2024		
FDIC Insured Accounts							
US Bank Interest Checking	Checking	Liquid	0.051%	\$ 299,638.57	\$ 299,638.57	0.55%	None
US Bank Money Market	Money Market	Liquid	0.051%	\$ 32,508.23	\$ 32,508.23	0.06%	20%
Certificate of Deposits	CD	-	-	\$ -	\$ -	0.00%	30%
Total FDIC Insured Accounts				\$ 332,146.80	\$ 332,146.80	0.61%	
LAIF							
California CLASS (Prime Fund)	Pool	Liquid	5.401%	\$ 2,022,343.19	\$ 2,022,343.19	3.70%	30%
CalTRUST (Medium Term Fund)	Pool/Bond Fund	Liquid	0.640%	\$ 1,532,350.48	\$ 1,454,340.42	2.67%	30%
U.S. Treasury Securities	US Securities	-	-	\$ -	\$ -	0.00%	None
TOTAL Investments				\$ 54,683,440.66	\$ 54,605,430.60	100.00%	

FISCAL IMPACT

There is no fiscal impact associated with the approval of this informational report.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve and file the Treasurer's Investment Report.

ATTACHMENTS:

Treasurer's Investment Report

To: Board of Directors
 From: Robert Housley, General Manager
 Prepared by: Robert Housley, General Manager
 Subject: Approve and file the Treasurer's Investment Report for June 2024

BACKGROUND

Midway City Sanitary District's investment policy requires a monthly investment report, which includes all financial investments of the district and provides information on the investment type, value, and yield available for all investments. The report also provides the Board of Directors with an update on the balances of the District's various funds.

Per the State Government Code 23600 et seq., and the Midway City Sanitary District's (District) Investment Policy, the District may invest up to a maximum percentage of the entire portfolio funds in authorized financial investments.

The following table shows a summary of the District's authorized financial investments, the yield available as of the preparation of this report, the book and market value of the District's funds, the percentage of the District's pooled funds that are invested in each financial investment, and the maximum percentage (or dollar limit), allowable per the State Government Code and the District's investment policy.

MCD's total invested cash as of June 30, 2024, is \$24,602,430.60

INVESTMENT	TYPE OF INVESTMENT	MATURITY DATE	YIELD	BOOK VALUE AS OF 6/30/2024	MARKET VALUE AS OF 6/30/2024	% OF PORTFOLIO	MAXIMUM PERCENTAGE OF PORTFOLIO
TOTAL INVESTMENTS				\$24,602,430.60	\$24,602,430.60	100.00%	
U.S. Treasury Securities	US Securities			\$	\$	0.00%	None
California (Sanjour Trust Fund)	Government Fund	Liquid	0.400%	\$ 1,327,500.42	\$ 1,424,700.42	5.79%	10%
California (Cass (Patton Fund))	Pool	Liquid	2.401%	\$ 2,027,243.12	\$ 2,027,243.12	8.24%	10%
LAIF	Pool	Liquid	4.180%	\$ 50,725,000.13	\$ 50,725,000.13	207.00%	\$25 million
Total FDC Insured Accounts				\$ 327,142.80	\$ 327,142.80	1.33%	
Certificate of Deposits	CD			\$	\$	0.00%	10%
US Bank Money Market	Money Market	Liquid	0.21%	\$ 27,208.28	\$ 27,208.28	0.11%	10%
US Bank Interest Checking	Checking	Liquid	0.21%	\$ 192,883.27	\$ 192,883.27	0.78%	None
THE Midway Accounts							

FISCAL IMPACT

There is no fiscal impact associated with the approval of this informational report.

MIDWAY CITY SANITARY DISTRICT
 District Investment Activities
 6/30/2024

	Operating Fund 1040.10	Midway City 1040.20	Buildings Equipment & Facilities 1040.30	Lift Stations & Sewer Lines 1040.40	CNG Station & Fueling Facilities 1040.50	Vehicle Replacement 1040.60	Total LAIF Account No. 7030-005	CA CLASS Prime Fund #1050.00	CalTRUST Medium-Term #114.00
Beginning Balance, 06.01.2024	\$ 9,166,738.21	\$ 1,935,402.66	\$ 3,394,417.08	\$ 30,948,299.04	\$ 2,022,786.03	\$ 2,328,957.17	\$ 49,796,600.19	\$ 2,013,433.13	\$ 1,449,860.93
Investment Income (LAIF, CalTRUST, CA CLASS)							\$ -	\$ 8,910.06	\$ 4,750.35
Market Value Capital Gain/(Loss)							\$ -		\$ 4,479.49
Transfer from LAIF to US Bank							\$ -		
Transfer from US Bank to LAIF	\$ 1,000,000.00						\$ -		
Transfers LAIF to LAIF	\$ 138,769.69	\$ 182,039.92	\$ (320,809.61)				\$ -		
Transfers US Bank to California CLASS								\$ -	
Transfers California CLASS to US Bank								\$ -	
Transfer CalTRUST to/from US Bank									\$ (4,750.35)
Ending Balance, 06.30.2024	<u>\$ 10,305,507.90</u>	<u>\$ 2,117,442.58</u>	<u>\$ 3,073,607.47</u>	<u>\$ 30,948,299.04</u>	<u>\$ 2,022,786.03</u>	<u>\$ 2,328,957.17</u>	<u>\$ 50,796,600.19</u>	<u>\$ 2,022,343.19</u>	<u>\$ 1,454,340.42</u>

TOTAL LAIF, U.S. SECURITIES, CA CLASS, CalTRUST & INTEREST RECEIVABLE	\$ 54,273,283.80
ADD: US BANK	
a. Checking (158301509028)	\$ 299,638.57
b. Money Market (158200156913)	\$ 32,508.23
TOTAL DISTRICT CASH ON HAND	<u>\$ 54,605,430.60</u>

CERTIFICATION

I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53648(b)(2) and (3), respectively.



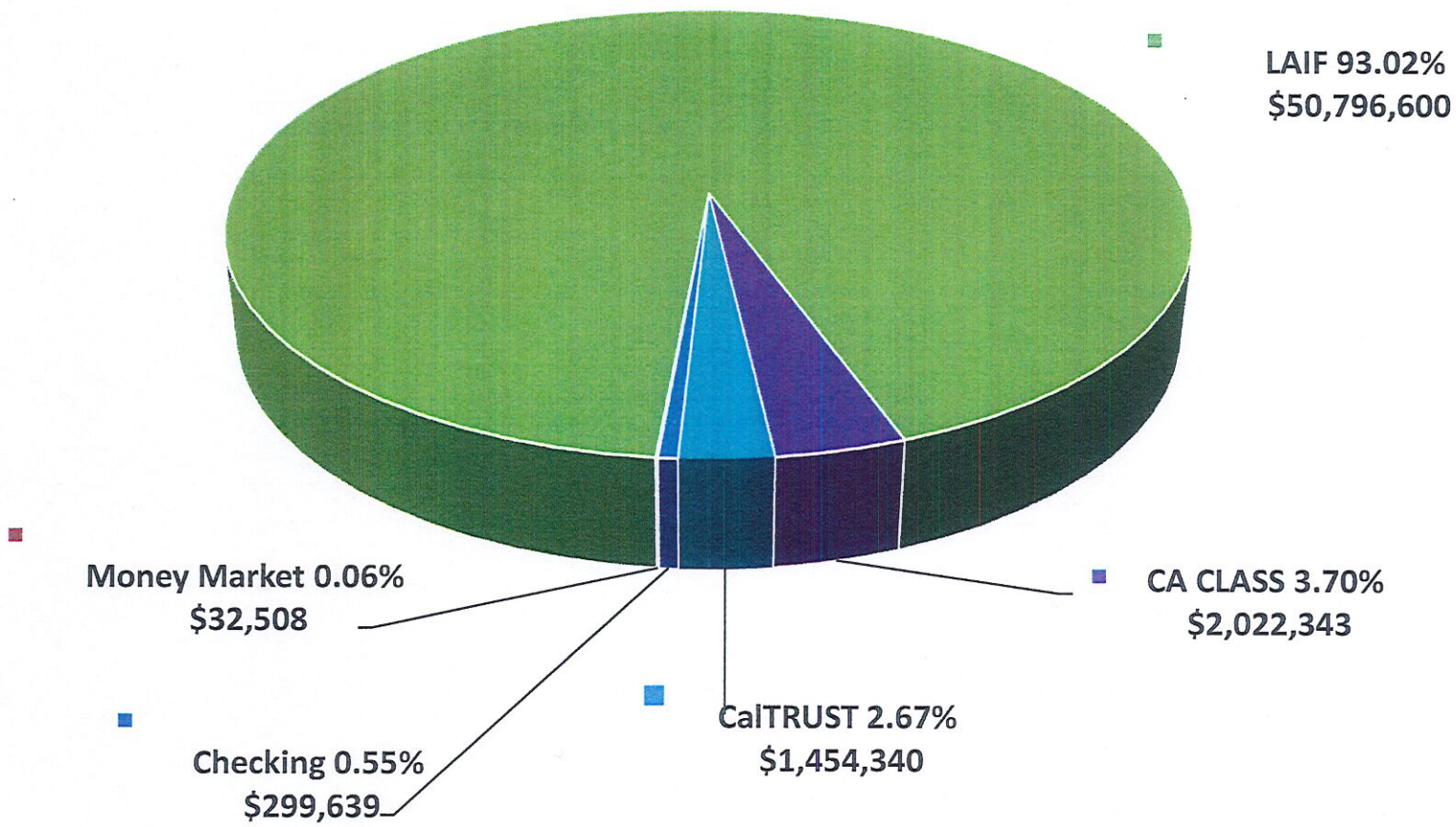
Prepared & Submitted by
 Robert Housley, General Manager

7/9/2024
 Dated

Sergio Contreras, Board Treasurer

Dated

MCSO Portfolio as of 06.30.2024



California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 01, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

MIDWAY CITY SANITARY DISTRICT

GENERAL MANAGER
14451 CEDARWOOD STREET
WESTMINSTER, CA 92683

Tran Type Definitions

Account Number: 70-30-005

June 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
6/5/2024	6/4/2024	RD	1753832	1714264	ROBERT HOUSLEY	1,000,000.00

Account Summary

Total Deposit:	1,000,000.00	Beginning Balance:	49,796,600.19
Total Withdrawal:	0.00	Ending Balance:	50,796,600.19



Home ->> PMIA ->> PMIA Average Monthly Effective Yields



LOCAL AGENCY INVESTMENT FUND

PMIA Average Monthly Effective Yields

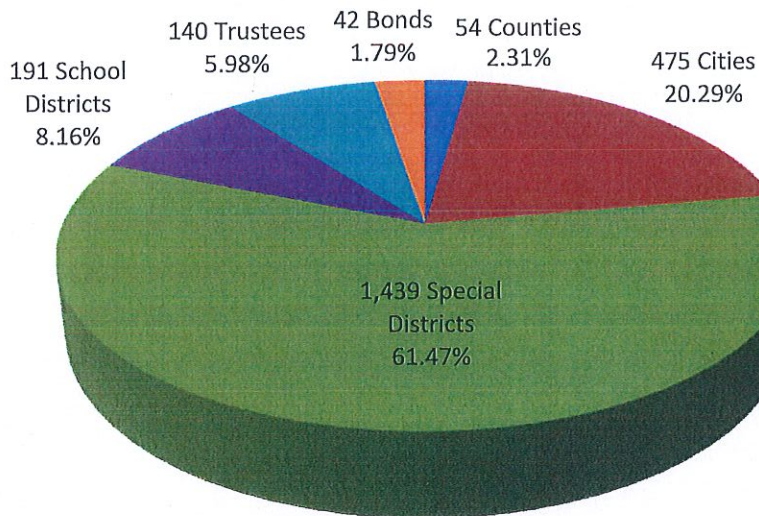
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.244	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305*	3.434	3.534	3.670	3.843	3.929
2024	4.012	4.122	4.232	4.272	4.332	4.480						

* Revised

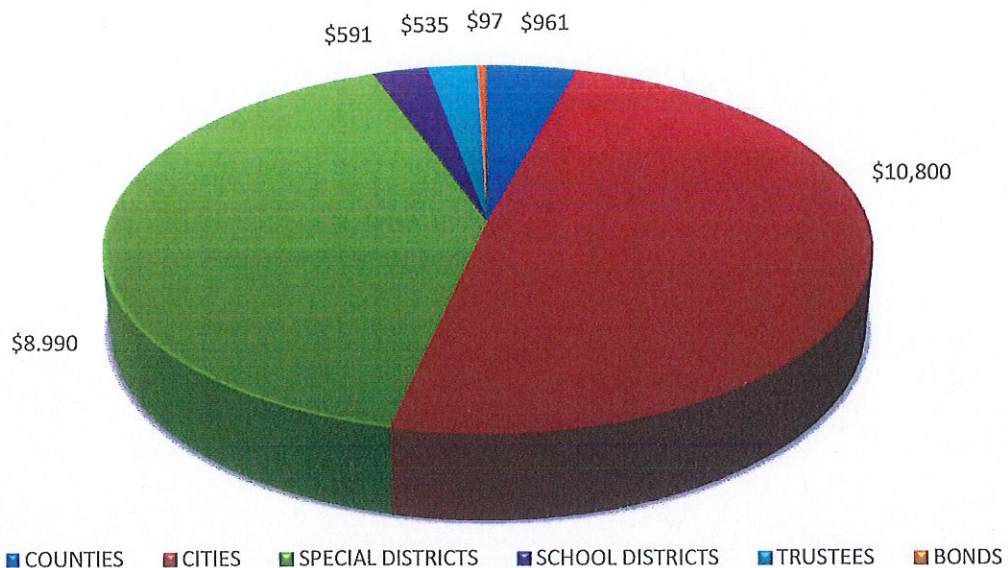
LAIF STATISTICS AS OF 06/30/24

	Balance By Type	Participation	% of Fund
54 COUNTIES	960,882,187.81	2.31%	4.37%
475 CITIES	10,799,502,765.58	20.29%	49.15%
1,439 SPECIAL DISTRICTS	8,990,381,070.01	61.47%	40.91%
191 SCHOOL DISTRICTS	591,442,574.16	8.16%	2.69%
140 TRUSTEES	534,623,566.92	5.98%	2.43%
42 BONDS	97,327,485.05	1.79%	0.44%
2,341 Fund Balance:	\$21,974,159,649.53	100.00%	100.00%

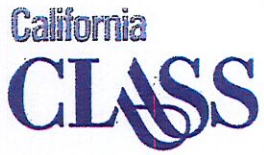
Participation:



Balance by Type (dollars in millions):



Percentages may not total 100% due to rounding.



Summary Statement

June 30, 2024

Page 1 of 4

Investor ID: CA-01-0164

0000153-0000597 PDF 665067

Midway City Sanitary District
 14451 Cedarwood Street
 Westminster, CA 92708

California CLASS

California CLASS

Average Monthly Yield: 5.4006%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0164-0001 Operating Funds	2,013,433.13	0.00	274,786.00	7,774.96	21,208.09	1,757,743.69	1,746,422.09
CA-01-0164-0002 CalRecycle SB 1383 Grant Funds	0.00	274,786.00	0.00	1,135.10	1,135.10	256,580.44	275,921.10
TOTAL	2,013,433.13	274,786.00	274,786.00	8,910.06	22,343.19	2,014,324.13	2,022,343.19



Account Statement

June 30, 2024

Page 2 of 4

Account Number: CA-01-0164-0001

Operating Funds

Account Summary

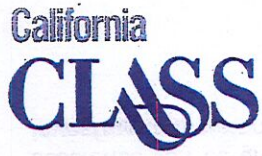
Average Monthly Yield: 5.4006%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	2,013,433.13	0.00	274,786.00	7,774.96	21,208.09	1,757,743.69	1,746,422.09

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
06/01/2024	Beginning Balance			2,013,433.13	
06/03/2024	Transfer Out to CA-01-0164-0002		274,786.00		4640
06/30/2024	Income Dividend Reinvestment	7,774.96			
06/30/2024	Ending Balance			1,746,422.09	





CalRecycle SB 1383 Grant Funds

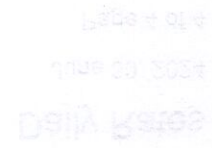
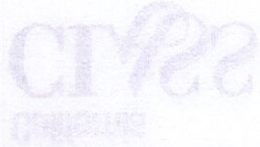
Account Summary

Average Monthly Yield: 5.4006%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	0.00	274,786.00	0.00	1,135.10	1,135.10	256,580.44	275,921.10

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
06/03/2024	Transfer In from CA-01-0164-0001	274,786.00			4640
06/30/2024	Income Dividend Reinvestment	1,135.10			
06/30/2024	Ending Balance			275,921.10	





California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
06/01/2024	0.000000000	5.4134%
06/02/2024	0.000000000	5.4134%
06/03/2024	0.000147531	5.4015%
06/04/2024	0.000147819	5.4102%
06/05/2024	0.000147539	5.3999%
06/06/2024	0.000146752	5.3711%
06/07/2024	0.000442356	5.3967%
06/08/2024	0.000000000	5.3967%
06/09/2024	0.000000000	5.3967%
06/10/2024	0.000147190	5.3872%
06/11/2024	0.000147127	5.3849%
06/12/2024	0.000147566	5.4009%
06/13/2024	0.000147390	5.3945%
06/14/2024	0.000442596	5.3997%
06/15/2024	0.000000000	5.3997%
06/16/2024	0.000000000	5.3997%
06/17/2024	0.000147621	5.4029%
06/18/2024	0.000295734	5.4119%
06/19/2024	0.000000000	5.4119%
06/20/2024	0.000147778	5.4087%
06/21/2024	0.000442560	5.3992%
06/22/2024	0.000000000	5.3992%
06/23/2024	0.000000000	5.3992%
06/24/2024	0.000147428	5.3959%
06/25/2024	0.000147407	5.3951%
06/26/2024	0.000147691	5.4055%
06/27/2024	0.000147214	5.3880%
06/28/2024	0.000443535	5.4111%
06/29/2024	0.000000000	5.4111%
06/30/2024	0.000000000	5.4111%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Fund Info Detail

CACCLASS

As Of Date: 06/30/2024

NAV

\$1.00

Shares:	1,695,938,108.700
Fund Balance:	\$1,695,790,426.41
Dividend Rate:	0.000147844512
Current Yield:	N/A
Daily Yield:	5.4111%
7-Day Yield:	5.4025%
30-Day Yield:	5.4006%

CLOSE



CalTRUST
 PO Box 2709
 Granite Bay, CA 95746
 www.caltrust.org
 Email: admin@caltrust.org
 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

06/01/2024 through 06/30/2024

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Jun 30 (\$)	Value on Jun 30 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
MIDWAY CITY SANITARY DISTRICT	20100007910					
CalTRUST Medium Term Fund	20100007910	149,316.265	9.74	1,454,340.42	1,532,350.47	(78,010.05)
Portfolios Total value as of 06/30/2024				1,454,340.42		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Medium Term Fund		MIDWAY CITY SANITARY DISTRICT			Account Number: 20100007910			
Beginning Balance	06/01/2024		0.000	149,316.265	9.71	1,449,860.93		
Accrual Income Div Cash	06/28/2024	4,750.35		149,316.265	9.74	1,454,340.42	0.00	0.00
Change in Value						4,479.49		
Closing Balance as of	Jun 30			149,316.265	9.74	1,454,340.42		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.



CALTRUST
 A PUBLIC AGENCY
 Phone: 833 CALTRUST (222-8787)
 Fax: 402-023-0081
 Email: admin@caltrust.org
 www.caltrust.org
 Granite Bay, CA 95743
 PO Box 3708
 CALTRUST

2024 CalTRUST Closures

Please note that the CalTRUST Funds will be closed for trading on the following days:

Date	Holiday
January 1, 2024	New Year's Day
January 15, 2024	Martin Luther King, Jr. Day
February 19, 2024	Presidents' Day
March 29, 2024	Good Friday
May 27, 2024	Memorial Day
June 19, 2024	Juneteenth National Independence Day
July 4, 2024	Independence Day
September 2, 2024	Labor Day
October 14, 2024	Indigenous Peoples Day
November 11, 2024	Veterans Day
November 28, 2024	Thanksgiving Day
December 25, 2024	Christmas Day

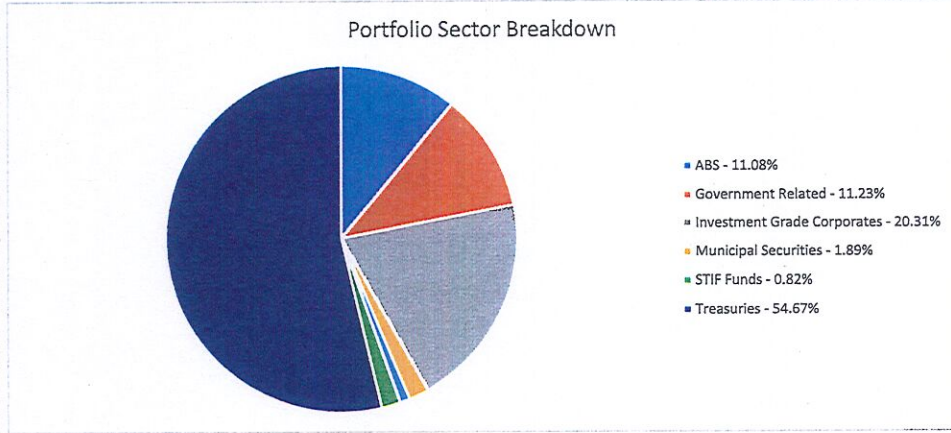
EARLY CLOSURES:

March 28, May 24, July 3, November 29, December 24, and December 31



	CalTRUST Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above		CalTRUST Medium Term Net Total Return	CalTRUST Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$1,005,746,988.93	N/A	One Month	0.64%	0.35%	0.56%
NAV per Share	\$9.74	N/A	Three Month	0.84%	1.04%	1.00%
30 Day SEC Yield	4.68%	N/A	Six Month	1.19%	2.03%	1.46%
Distribution Yield	4.27%	N/A	One Year*	4.58%	3.96%	4.97%
Period Net Total Return	0.64%	0.56%	Two Year*	2.67%	3.25%	2.74%
Effective Duration	2.14 yrs	N/A	Three Year*	0.59%	2.35%	0.58%
Average Maturity	2.38 yrs	N/A	Five Year*	1.24%	1.94%	1.28%
Weighted Average Life	2.34 yrs	N/A	Ten Year*	1.28%	1.64%	1.37%
			Since Inception*	1.89%	2.01%	2.17%

*Annualized



Rated AA-f by S&P Global Ratings

**Midway City Sanitary District
CalTRUST Summary**

CalTRUST - Medium-Term Fund

	Investment +	Dividends	Distribution of	Capital Gain or	Balance
	'+'	'+'	Dividend (-)	Loss (-)	
Investment May-2020	\$ 750,000.00	432.90		1,460.57	\$ 751,893.47
June-2020		857.56		730.70	\$ 753,481.73
July-2020		765.26		731.54	\$ 754,978.53
August-2020		745.40		-	\$ 755,723.93
September-2020		677.57		(733.01)	\$ 755,668.49
October-2020		621.72		(733.66)	\$ 755,556.55
November-2020		476.58		-	\$ 756,033.13
December-2020		439.21			\$ 756,472.34
January-2021		387.68			\$ 756,860.02
February-2021		342.73		(1,471.06)	\$ 755,731.69
March-2021		354.98		(735.87)	\$ 755,350.80
April-2021		251.06			\$ 755,601.86
May-2021	\$ 750,000.00	316.74		736.45	\$ 1,506,655.05
June-2021		473.98		(1,467.04)	\$ 1,505,661.99
July-2021		415.67		1,467.51	\$ 1,507,545.17
August-2021		390.03		0.01	\$ 1,507,935.21
September-2021		370.72		(1,468.29)	\$ 1,506,837.64
October-2021		396.41		(5,874.61)	\$ 1,501,359.44
November-2021		461.36		(1,469.04)	\$ 1,500,351.76
December-2021		516.64		(2,938.98)	\$ 1,497,929.42
January-2022		598.08		(10,289.99)	\$ 1,488,237.51
February-2022		610.05		(7,352.96)	\$ 1,481,494.60
March-2022		836.34		(20,596.74)	\$ 1,461,734.20
April-2022		1,028.38		(8,832.23)	\$ 1,453,930.35
May-2022		1,290.86		5,892.32	\$ 1,461,113.53
June-2022		1,354.72		(8,846.29)	\$ 1,453,621.96
July-2022		1,518.86		5,903.03	\$ 1,461,043.85
August-2022		1,986.06		(11,818.35)	\$ 1,451,211.56
September-2022		2,166.97		(20,710.46)	\$ 1,432,668.07
October-2022		2,438.11		(4,444.68)	\$ 1,430,661.50
November-2022		2,709.46		8,904.53	\$ 1,442,275.49
December-2022		2,890.90		1,486.88	\$ 1,446,653.27
January-2023		3,227.48		8,939.16	\$ 1,458,819.91
February-2023		3,447.06	(3,447.06)	(13,438.46)	\$ 1,445,381.45
March-2023		4,147.17	(4,147.17)	14,931.62	\$ 1,460,313.07
April-2023		3,791.32	(3,791.32)	1,493.16	\$ 1,461,806.23
May-2023		4,482.39	(4,482.39)	(7,465.81)	\$ 1,454,340.42
June-2023		4,090.56	(4,090.56)	(8,958.97)	\$ 1,445,381.45
July-2023		4,246.18	(4,246.18)	1,493.16	\$ 1,446,874.61
August-2023		4,455.68	(4,455.68)	-	\$ 1,446,874.61
September-2023		4,286.72	(4,286.72)	(7,465.82)	\$ 1,439,408.79
October-2023		4,795.72	(4,795.72)	(1,493.16)	\$ 1,437,915.63
November-2023		4,603.47	(4,603.47)	14,931.63	\$ 1,452,847.26
December-2023		4,484.90	(4,484.90)	13,438.46	\$ 1,466,285.72
January-2024		5,122.63	(5,122.63)	-	\$ 1,466,285.72
February-2024		4,548.47	(4,548.47)	(10,452.14)	\$ 1,455,833.58
March-2024		4,411.96	(4,411.96)	1,493.17	\$ 1,457,326.75
April-2024		5,220.49	(5,220.49)	(11,945.30)	\$ 1,445,381.45
May-2024		5,169.07	(5,169.07)	4,479.48	\$ 1,449,860.93
June-2024		4,750.35	(4,750.35)	4,479.49	\$ 1,454,340.42

\$ 1,500,000.00 \$ 108,404.61 \$ (76,054.14) \$ (78,010.05) \$ 1,454,340.42

AGENDA ITEM 7C

Date: July 16, 2024
To: Board of Directors
From: Robert Housley, General Manager
Prepared by: Milo Ebrahimi, P.E., District Engineer
Subject: Receive and File the Engineer Report for June 2024.

BACKGROUND

District Engineer prepares a monthly report for the Board of Directors to inform about engineering and engineering related activities. This report includes monthly progress of District projects, reviewed plans, sewer department projects and activities, trainings and meetings, preventive maintenances and repairs of the district assets, and more.

DISCUSSION

1. District Building Project by Woodcliff

1.1. The new office building:

- 1.1.1. Contractor has finished the new office building.
- 1.1.2. A new punch list has been created by Architect.
- 1.1.3. Contractor is working on the punch list items.

1.2. The locker room building:

- 1.2.1. Contractor has finished the Locker room building.
- 1.2.2. A new punch list has been created by Architect.
- 1.2.3. Contractor is working on the punch list items.

1.3. Landscaping and sitework:

- 1.3.1. Contractor has finished the landscape and the sitework.
- 1.3.2. Complete punch list has been created by Architect.
- 1.3.3. Contractor has finished the punch list items.

1.4. Solar Carport:

- 1.4.1. The District is working with the charging stations vendor, Enel X. An account on the online portal is created. Training was scheduled for the staff by this Vendor for using the charging stations and the online portal. The connection between the charging stations and the portal account needs to be established by the District.

2. Plans Reviewed
 - 2.1. Sewer permits (this month): 24.
 - 2.2. Sewer permits (this fiscal year end): 206.
 - 2.3. Development projects (trash enclosures and/or sewer lines): 3.
3. Westminster Mall project
 - 3.1. The District received the improvement plans and other related documents for the 3rd review from the City planning department. The District Engineer provided comments on the provided documents.
4. Sewer department projects
 - 4.1. Sewer System Master Plan (SSMP) Project by AKM
 - 4.1.1. SSMP is in progress. There is a monthly meeting with AKM about progress.
 - 4.1.2. AKM will finish in about 6 months. A few months' delay is due to Amendment No. 2, which was approved by the Board on March 19, 2024, to the original agreement with AKM. GPS survey of 500 manholes is performed for engineering analysis and Hydraulic Model. 25 more manholes need to be surveyed for the analysis.
 - 4.1.3. AKM worked on Preparation and Development of Project Management Plans (task 11 of the project).
 - 4.1.4. AKM worked on Addendum No. 2 line item which is Sewer GIS, Survey of Manholes, and Hydraulic Model Update (task 12 of the project).
 - 4.2. SSMP Audit by AKM
 - 4.2.1. SSMP Audit was approved by the by Board on June 4, 2024, as an Amendment 3 to AKM agreement.
 - 4.2.2. The District is working on the requested items by AKM for the Audit.
 - 4.2.3. The Audit Report is due within six months after the end of the required 3-year audit period which was May 2, 2024.
 - 4.2.4. AKM worked on SSMP Goals and Introduction (task 1 of the project).
 - 4.2.5. AKM worked on Organization (task 2 of the project).
 - 4.2.6. AKM worked on Legal Authority (task 3 of the project).
 - 4.3. Sewer System Cleaning and CCTV Project By Empire Pipe Cleaning & Equipment
 - 4.3.1. The contractor has finished 50 percent of the project so far.
 - 4.3.2. Contractor will finish in about 6 months.
 - 4.3.3. District Engineer is collaborating with Contractor and AKM to link the CCTV inspection report with GIS in a new software application.

5. Sewer Department Activities

5.1. There were not any new sewer emergency cases this month.

5.2. Report of the previous emergency cases:

5.2.1. Broken sewer pipe at the intersection of Webber Pl and Pembroke Ln:

Sewer main spot repair/replacement, manhole replacement, and street repair are completed by the contractor, Paulus Engineering. Then the City finished the pavement repair project. After that, the lining of two sewer main segments in this area is completed by the contractor, Performance Pipe Technologies.

5.2.2. Blocked and possibly damaged siphon at the intersection of Westminster Blvd and Springdale St:

District is working with AKM to prepare an emergency construction repair plans and specs for construction of two manholes to restore the sewer flow. The project is still in the design phase.

5.3. There was no sewer system overflow this month.

5.4. 73 hotspot locations were cleaned this month.

5.5. About 24 hotspot locations were checked weekly.

5.6. About 51,000 linear feet (9.7 miles) of sewer line was cleaned on the east and west side.

6. Trainings and Meetings

6.1. District Engineer attended monthly meetings with District Engineer of Costa Mesa Sanitary District.

6.2. District Engineer attended Development Review Team (DRT) meetings at the City of Westminster.

6.3. District Engineer attended the CARB webinar for Advanced Clean Fleets.

6.4. District Engineer, Engineering Technician, and Director of Services & Program Development attended the EAR webinar by CalRecycle.

6.5. District Engineer and staff attended the OC San 70th Anniversary Open House.

7. Preventive Maintenances (PM) and Repairs

7.1. Contractor performed the monthly PM services on the CNG station at the yard.

7.2. A repair is needed on the portable generator in the yard. The portable generator is still not operational due to more issues.

8. Regulation and Reporting

8.1. California Air Resources Board (CARB)

8.1.1. None.

8.2. California Water Resources Control Board (CWRCB)

8.2.1. California Integrated Water Quality System (CIWQS): monthly report submitted to the board.

FISCAL IMPACT

Informational report only.

STAFF RECOMMENDATION

Staff recommend that the Board of Directors approve and file the Engineer Report.

AGENDA ITEM 9A

Date: July 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Milo Ebrahimi, P.E., District Engineer

Subject: Consider Approval of Updated Agreements with Clean Energy Renewable Fuels, LLC for the Sale and Purchase of Natural Gas

BACKGROUND

On May 28, 2019, the District entered a 5-year RNG supply agreement with Clean Energy. RNG is methane captured from the decomposition of organic materials at landfills, agricultural facilities, and wastewater treatment plants. The pipeline quality bio-methane is injected into the natural gas pipeline grid and delivered to the District’s CNG fueling station. RNG significantly reduces CO2 emissions, compared to fossil natural gas, and thus generates carbon credits when used for transportation purposes.

The California Air Resources Board (CARB) developed the Low Carbon Fuel Standard (LCFS) program to reduce carbon intensity of transportation fuels used in California by 20% by 2030. The Renewable Fuel Standard (RFS) is a federal program that has a goal to achieve 50% renewable transportation fuels in the US by 2030. These programs allow producers of renewable low carbon fuel, like RNG, to generate LCFS and RIN credits so long as the fuel is being used for transportation purposes. Through the previous supply agreement, the District has received a total of \$102,536.54 over the past 5 years.

The revenue breakdown for each fiscal year is as follows:

Fiscal Year	Station GGEs	RIN Credits	LCFS Credits	Subtotal	Subtotal per GGE
2019 – 2020	104,544	\$2,414.54	\$43,540.02 ¹	\$43,540.02	\$0.416
2020 – 2021	108,141	\$6,467.75	\$12,238.36	\$18,706.11	\$0.173
2021 – 2022	107,666	\$10,195.24	\$8,111.60	\$18,306.84	\$0.170
2022 – 2023	106,381	\$7,518.81	\$5,228.28	\$12,747.09	\$0.120
2023 – 2024 ²	79,973	\$7,425.05	\$2,620.12	\$10,045.17	\$0.126
Subtotal	506,706	\$34,021.39	\$69,323.84	\$103,345.23	\$0.200

¹ The LCFS payments in 2019 – 2020 included sale of transfer credits from the District for 2018-2019 volume.

² Volume and credit generation are only through March 31, 2024. There are still three (3) monthly RIN payments and two (2) LCFS statements that are being processed for 2023 – 2024 fiscal year.

Clean Energy is one of the largest RNG suppliers and contracts with the majority of California municipalities, including but not limited to: City of Clovis, City of Burbank, City of Beverly Hills,

City of Ontario, City of Pasadena, City of Los Angeles, City of Claremont, Union City, City of Fresno, and City of Sacramento.

DISCUSSION

On May 17, 2024, Clean Energy submitted a proposed new RNG supply agreement for the District’s consideration. The terms of the proposed new agreement would increase the revenue share of the LCFS and RIN credits and match the terms and conditions as other competitively bid municipal contracts. The agreement is comprised of the Base Contract entered into between the District and Clean Energy in 2019 and two new Transaction Confirmations – one for the purchase of RNG from Clean Earth, and the other for the sale of Conventional Gas to Clean Earth in a corresponding amount. The new agreement would run for an initial “Delivery Period” of five years, and would be automatically extended for consecutive one (1) year renewal terms unless terminated by the District or Clean Energy. Clean Energy has demonstrated it is the leader in the space and is guaranteeing 100% RNG over the life of the contract. Additionally, Clean Energy is completing all repair and maintenance responsibilities for the District’s CNG fueling station.

FISCAL IMPACT

The agreement will significantly increase the carbon credit revenues realized by the District. The anticipated value per gasoline gallon equivalent (GGE) will increase from \$0.20 to \$0.57 per GGE. The new agreement outlines a greater percentage split (10% of the RIN and 60% of the LCFS) of the revenue realized by the carbon credits.

Below is a revenue forecast for the new agreement:

Fiscal Year	Station GGEs	RIN Credits	LCFS Credits	Subtotal	Subtotal per GGE
2024 – 2025	110,000	\$51,599	\$11,780	\$63,379	\$0.58
2025 – 2026	110,000	\$51,599	\$11,334	\$62,993	\$0.57
2026 – 2027	110,000	\$51,599	\$10,892	\$62,491	\$0.57
2027 – 2028	110,000	\$51,599	\$10,446	\$62,045	\$0.56
2028 – 2029	110,000	\$51,599	\$10,004	\$61,603	\$0.56
Subtotal	550,000	\$257,994	\$54,457	\$312,451	\$0.57

**This revenue forecast is predicated on 110,000 GGEs at the fueling station annually and current LCFS and RIN market prices. RIN credits are trading for approximately \$3.30/credit and LCFS credits are trading for approximately \$50.00/credit. Payments to the District will fluctuate based on volume dispensed at the fueling station and RIN and LCFS credit prices.*

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve and authorize the General Manager to execute the proposed new Transaction Confirmations with Clean Energy Renewable Fuels, LLC for the sale and purchase Natural Gas.

ATTACHMENTS

1. May 2, 2019 Base Contract for Sale and Purchase of Natural Gas *pages 1-24*
2. Transaction confirmation subject to the Base Contract between Seller (District) and Buyer (Clean Energy Renewable Fuels, LLC) *pages 25-27*
3. Transaction confirmation subject to the Base Contract between Seller (Clean Energy Renewable Fuels, LLC) and Buyer (District) *pages 28-38*

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: May 2, 2019

The parties to this Base Contract are the following:

PARTY A Midway City Sanitary District	PARTY NAME	PARTY B Clean Energy Renewable Fuels, LLC
14451 Cedarwood Avenue Westminster, CA 92683	ADDRESS	4675 MacArthur Court, Suite 800 Newport Beach, CA 92660
http://www.midwaycitysanitarydistrict.com/	BUSINESS WEBSITE	www.cleanenergyfuels.com
	CONTRACT NUMBER	
078155207	D-U-N-S® NUMBER	
<input type="checkbox"/> US FEDERAL: 95-6005522 <input type="checkbox"/> OTHER:	TAX ID NUMBERS	<input checked="" type="checkbox"/> US FEDERAL: 95-4603747 <input type="checkbox"/> OTHER:
	JURISDICTION OF ORGANIZATION	
<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	COMPANY TYPE	<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	GUARANTOR (IF APPLICABLE)	

CONTACT INFORMATION

<u>Midway City Sanitary District</u> ATTN: <u>Ken Robbins</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>krobbs@mcsandst.com</u>	▪ COMMERCIAL	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>
<u>Midway City Sanitary District</u> ATTN: <u>Ken Robbins</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>krobbs@mcsandst.com</u>	▪ SCHEDULING	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>
<u>Midway City Sanitary District</u> ATTN: <u>Ken Robbins</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>krobbs@mcsandst.com</u>	▪ CONTRACT AND LEGAL NOTICES	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>
<u>Midway City Sanitary District</u> ATTN: <u>Robert Housley</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>rhousley@mcsandst.com</u>	▪ CREDIT	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>
<u>Midway City Sanitary District</u> ATTN: <u>Robert Housley</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>rhousley@mcsandst.com</u>	▪ TRANSACTION CONFIRMATIONS	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>

ACCOUNTING INFORMATION

<u>Midway City Sanitary District</u> ATTN: <u>Robert Housley</u> TEL#: <u>714-893-3553</u> FAX#: <u>714-891-8624</u> EMAIL: <u>rhousley@mcsandst.com</u>	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	<u>Clean Energy Renewable Fuels, LLC</u> ATTN: <u>Tyler Henn</u> TEL#: <u>(949) 437-1258</u> EMAIL: <u>tyler.henn@cleanenergyfuels.com</u>
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure <input type="checkbox"/> Oral (default) OR <input checked="" type="checkbox"/> Written	Section 10.2 Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u> _____ _____
Section 2.7 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> 5 Business Days after receipt	
Section 2.8 Confirming Party <input checked="" type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer _____	
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
<i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i>	
Section 2.31 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) OR <input type="checkbox"/> _____	Section 10.3.2 Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input checked="" type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	
Section 7.2 Payment Date <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	Section 15.5 Choice Of Law <u>California</u>
Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check	Section 15.10 Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
Section 7.7 Netting <input checked="" type="checkbox"/> Netting applies (default) OR <input type="checkbox"/> Netting does not apply	
<input type="checkbox"/> Special Provisions Number of sheets attached: _____ <input type="checkbox"/> Addendum(s): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Midway City Sanitary District	PARTY NAME	Clean Energy Renewable Fuels, LLC
By: 5/21/2019	SIGNATURE	By:
Ken Robbins	PRINTED NAME	Tyler Henn
General Manager	TITLE	Vice President

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

- 2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.
- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such

replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's

responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated

Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained.

Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, including, without limitation, the California Public Records Act, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____ /MMBtu or _____				
Delivery Period: Begin: _____, ____ End: _____, ____				
Performance Obligation and Contract Quantity: (Select One) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> Interruptible: Up to _____ MMBtus/day </td> </tr> </table>		Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Special Conditions: _____ _____				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY



Date: May 28, 2019
Transaction Confirmation #:
MID001-TC01

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated May 28, 2019. The terms of this Transaction Confirmation are binding upon execution by the parties.

SELLER:

Clean Energy Renewable Fuels, LLC

Attn: Tyler Henn
Phone: 949-437-1258
Fax: 949-724-1358
Base Contract No. MID001

BUYER:

Midway City Sanitary District
14451 Cedarwood St.
Westminster, CA 92683
Attn: Ken Robbins
Phone: 714-893-3553

Contract Price:

Contract Price (\$/MMBtu)

The "Contract Price" (per MMBtu) means the First of the Month Index Price for Monthly Deliveries at the Delivery Point as published by the McGraw-Hill Companies, or any successor-in-interest thereto, in the Platt publication, *Inside FERC Gas Market Report*, first of month publication, under the table "Market Center Spot Prices", for the delivery Month under the column "Index", under the table "South Louisiana", in the row labeled "Henry Hub".

Delivery Period: The Delivery Period shall begin on July 1, 2019 ("Start Date") and end on the five (5) year anniversary of the Start Date.

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):

_____ MMBtus/day

EFP

Firm (Variable Quantity):

0 MMBtus/day Minimum

100 MMBtus/day Maximum ("Max Daily Quantity")

Interruptible:

Up to _____
MMBtus/day.

Performance Obligation: During each month of the Delivery Period of this Transaction Confirmation, Seller will deliver to Buyer, and Buyer will purchase, Biogas in identical corresponding volumes to Seller's purchases of Conventional Gas (as defined below) from Buyer under Transaction Confirmation # MID001-TC02 (between the parties and dated May 28, 2019) during such month.

The Variable Quantity shall be made up of Biogas. Buyer acknowledges that the delivered quantities of Biogas will fluctuate and agrees to receive all Biogas, up to the Max Daily Quantity. Seller shall be the exclusive provider of Biogas to Buyer at the Delivery Point during the Delivery Period.

Subject to the terms of this Transaction Confirmation and the Max Daily Quantity described above, during each consecutive six (6) month period beginning on the first day of the Delivery Period and ending on the last day of the Delivery Period, Seller shall use reasonable efforts to provide an amount of Biogas to the Delivery Point which is equal to ninety percent (90%) of Buyer's Gas Quantity (as defined below) for the applicable rolling six (6) month period (the "**Minimum Commitment**"). "**Buyer's Gas Quantity**" means the total amount of natural gas provided to the Station (as defined below) based on the invoices (which are related to the Delivery Point and the applicable rolling six (6) month) Buyer receives from the natural gas utility but limited to such portion of the gas which is deemed to have been actually consumed as a Vehicle Fuel (as determined in accordance with Seller's LCFS and RFS compliance protocol).

Beginning on the one (1) year anniversary of the first day of the Delivery Period, Buyer may, as its sole and exclusive remedy for any failure by Seller to comply with the Minimum Commitment described above, terminate this Transaction Confirmation upon ninety (90) days prior written notice to Seller in the event that over any consecutive six (6) month period, the total volume of Biogas sold by Seller to Buyer hereunder is less than the lesser of: (a) ninety percent (90%) of Buyer's Gas Quantity during such six (6) month period; and (b) the Max Daily Quantity, referenced above, multiplied by the number of days in the applicable six (6) month period.

Delivery Point: The Delivery Point shall be Buyer's Southern California Gas Company ("**SoCalGas**") meter interconnect at Buyer's California compressed natural gas ("**CNG**") station listed in Exhibit A ("**Station**"), which is attached hereto and incorporated herein by reference.

Definitions:

"**Advanced Biofuel**" means a renewable fuel as set forth in the EPA RFS program (40 C.F.R. § 80.1401 (2012)), other than ethanol derived from corn starch, and which must achieve a Lifecycle Greenhouse Gas Emission displacement of fifty percent (50%) compared to the baseline Lifecycle Greenhouse Gas Emissions.

"**Alternative Fuel**" means any transportation fuel that is not California reformulated gasoline or a diesel fuel, including but not limited to, those fuels specified in the California Low Carbon Fuel Standard (Cal. Code Regs. tit. 17, § 95480.1(a)(12) (2010)).

"**Blue Gas LCFS Credits**" means LCFS Credits which are generated by Buyer when Conventional Gas is dispensed from the Station as a Blue Gas Vehicle Fuel.

"**Blue Gas Vehicle Fuel**" means CNG derived from Conventional Gas and used in transportation vehicles.

"**Biogas**" means pipeline quality Gas derived from the decomposition of organic matter that meets the EPA RFS eligibility requirements as either an Advanced Biofuel or Cellulosic Biofuel.

"**CARB**" means the California Air Resources Board or its successor agency and policies established under the California Low Carbon Fuel Standard Regulation, (Cal. Code Regs. tit. 17, §§ 95480 – 90 (2010)), (collectively, the "**LCFS**") applying to any transportation fuel that is sold, supplied, or offered for sale in California.

"**Cellulosic Biofuel**" means a renewable fuel derived from any cellulose, hemi-cellulose or lignin that has lifecycle greenhouse gas emissions that are at least sixty percent (60%) less than the Baseline Lifecycle Greenhouse Gas emissions (as set forth in the EPA RFS program (40 C.F.R. § 80.1401 (2012))).

"**Conventional Gas**" means Gas other than Biogas.

“Deliver” means Buyer shall cause its Blue Gas LCFS Credits to be electronically delivered into Seller’s LCFS Account in accordance with the LCFS and the terms of this Transaction Confirmation.

“Disqualified Biogas” means Gas that was initially determined by the parties upon delivery to be Biogas but subsequently becomes disqualified as Biogas by not satisfying the requirements of the EPA Renewable Fuels Standard or the CARB LCFS.

“EPA” means the United States Environmental Protection Agency.

“EPA Renewable Fuels Standard” or **“EPA RFS”** means the renewable energy program and policies established by the Environmental Protection Agency and published on March 26, 2010 (at 75 Fed. Reg. 14670) and which became effective on July 1, 2010.

“Green Attributes” means any and all attributes, including Lifecycle Greenhouse Gas Emissions, associated with the production, sale and use of Biogas as an Advanced Biofuel, Cellulosic Biofuel, low carbon fuel or Alternative Fuel as necessary to generate or claim applicable CARB LCFS Credits and EPA RINs.

“Greenhouse Gas” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as Greenhouse Gases under any federal, state or local law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for Greenhouse Gas emission reductions that is established, certified, maintained, or recognized by any international, governmental (including U.N., federal, state, or local agencies), or non-governmental agency from time to time, in each case measured in increments of one metric tonne of carbon dioxide equivalent.

“Governmental Authority” means any federal, state, local, or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority. Governmental Authority includes, without limitation, the EPA, CARB and the California Public Utilities Commission or its successor agency.

“Incremental LCFS Credits” means the LCFS Credits generated from Biogas sold under this Transaction Confirmation to Buyer minus the LCFS Credits that would have been generated if the same amount of Biogas had been Conventional Gas.

“Lifecycle Greenhouse Gas Emissions” means the aggregate quantity of Greenhouse Gas emissions (including direct emissions and significant indirect emissions from land use changes), as determined by the EPA RFS or CARB, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

“LCFS Account” means an account containing an entity’s LCFS Credits, established and maintained in accordance with the LCFS.

“Low Carbon Fuel Standard Credits” or **“LCFS Credits”** shall mean credits generated and traded under the California Air Resources Board Low Carbon Fuel Standard, with each credit equal to one metric tonne of Carbon Dioxide reductions as compared to the baseline CO₂ emissions under the Low Carbon Fuel Standard.

“LCFS Credits Resale Price” shall be calculated by reference to the volume weighted average price of all LCFS Credits of the same annual and quarterly vintage realized by Seller within the same calendar quarter.

“LRT” means the reporting tool established in accordance with LCFS and required by CARB to submit annual compliance and quarterly progress reports and track LCFS Credits.

“Renewable Identification Number” or “RIN” is a number generated to represent a volume of renewable fuel as set forth in Regulation of Fuels and Fuel Additives: Changes to Renewable Fuel Standard Program, 75 Fed. Reg. 16484 (March 26, 2010) (codified at 40 C.F.R. § 80.1425 (2011); 40 C.F.R. § 80.1426 (2012)).

“RIN Resale Price” shall be calculated by reference to the volume weighted average price of all RINs which is realized by Seller that were generated within the same calendar month as the RINs generated from the Biogas sold hereunder.

“RIN Share” shall mean two percent (2%) of the RIN Resale Price for each RIN generated by the Biogas sold by Seller to Buyer under this Transaction Confirmation which is then sold by Buyer as a Vehicle Fuel at the Station.

“Vehicle Fuel” means CNG or liquefied natural gas (LNG) derived from Gas and used in transportation vehicles.

Special Conditions:

1. Representations.

(a) Buyer represents that it shall process all Biogas purchased from Seller hereunder into Vehicle Fuel which shall be distributed as Vehicle Fuel through Buyer’s Station.

(b) Seller represents that all Biogas sold hereunder shall be Biogas that has been produced by facilities properly registered under the EPA RFS as renewable fuel producers.

(c) Seller represents that all Biogas sold hereunder shall be Biogas with an approved pathway for LCFS Credit generation.

(d) Buyer represents that it is not aware of any reason that would cause the Blue Gas LCFS Credits not to comply with the LCFS.

2. Records and Documentation Related to Biogas and RIN and LCFS Credits Creation.

(a) Buyer shall provide Seller with a copy of its natural gas invoices related to the Delivery Point for the prior month (when such prior month is during the term of this Transaction Confirmation) between the 10th and 20th day of each month. This obligation shall survive the termination or expiration of this Transaction Confirmation until the last day of the full calendar month following the month in which this Transaction Confirmation expired or terminated. Buyer shall maintain all records relevant to the purchase of Biogas from Seller and use of such Biogas as a Vehicle Fuel in accordance with the requirements of the CARB for the creation and sale of LCFS Credits.

(b) Seller shall maintain records relevant to the production and purchase and sale of Biogas and transportation and distribution of the Biogas purchased hereunder as a Vehicle Fuel as it applies to the creation and sale of LCFS Credits in accordance with the requirements of CARB.

(c) Buyer shall provide reasonable cooperation to Seller with respect to the requirements for the generation of RINS under the EPA RFS including, without limitation, by signing periodic attestations regarding the use of the Biogas sold hereunder as a Vehicle Fuel. Further, on at least a quarterly basis, and at any other time requested by Seller, Buyer shall provide Seller with attestations executed by an authorized officer of Buyer which indicate that the volume of Conventional Gas and Biogas (as applicable) delivered to the Station is consumed as a Vehicle Fuel. Buyer shall provide Seller with such attestations no later than thirty (30) days after Seller’s written request.

(d) Buyer may, at its discretion, elect to have Seller be the administrator of Buyer’s LRT account whereby Buyer creates a separate user profile and login for Seller. In the event this election is made by Buyer, Buyer shall notify Seller in writing and shall provide Seller with the applicable information requested by Seller for its separate user

profile and login. Buyer acknowledges and agrees that Seller's only responsibility in relation to such election is to input information regarding the amount of Biogas provided by Seller to Buyer during the applicable time period and Buyer remains solely responsible for all certifications, and the accuracy of such certifications, in relation to (a) the amount of Biogas consumed during the applicable time period, and (b) the fact that all Biogas consumed has been used as a vehicle fuel. Buyer agrees to defend, indemnify and hold Seller and its affiliates harmless from and against any and all claims, damages, liabilities, expenses, suits, and/or costs which may arise in relation to Buyer's LRT account except to the extent such claims, damages, liabilities, expenses, suits and/or costs arise solely and directly based on Seller's gross negligence or willful misconduct as evidenced by written records.

3. Hierarchy and Governing Law.

In the event of any inconsistency between the Base Contract and this Transaction Confirmation, this Transaction Confirmation shall govern. The law governing the Base Contract shall apply to this Transaction Confirmation, except to the extent that the EPA Renewable Portfolio Standards and CARB Low Carbon Fuels Standard, together with regulations and decisions promulgated thereunder, are applicable to the purchase and sales of Biogas.

4. CARB LCFS Regulated Party Status.

Pursuant to the California Code of Regulations for the Low Carbon Fuel Standard, Seller will retain the Low Carbon Fuel Standard (LCFS) regulated party status set forth in Title 17, California Code of Regulations in §§ 95480-95490 as an "opt-in" regulated party under California Air Resources Board as set forth in Title 17, California Code of Regulations § 95480.3 with respect to all Biogas sold by Seller to Buyer hereunder.

Buyer will retain regulated party status set forth in Title 17, California Code of Regulations in §§ 95480-95490 as an "opt-in" regulated party under California Air Resources Board as set forth in Title 17, California Code of Regulations § 95480.3 with respect to all Conventional Gas purchased by Buyer at the Delivery Point.

5. LCFS Credit Generation and LCFS Credit and RIN Sales.

(a) For Biogas sold by Seller to Buyer hereunder, Seller shall pay Buyer:

(1) One hundred percent (100%) of the LCFS Credits Resale Price for all LCFS Credits that would have been generated by Conventional Gas if the Biogas provided under this Transaction Confirmation and sold as Vehicle Fuel at the Station had been Conventional Gas (the "Conventional LCFS Credits"); plus

(2) Three percent (3%) of the LCFS Credits Resale Price for all Incremental LCFS Credits generated from Biogas Vehicle Fuel sold at the Station.

Seller shall make such payment within thirty (30) days of the date of Seller's receipt of payment for such sold LCFS Credits.

(b) Buyer acknowledges that Seller and/or its affiliates will act as a principal with respect to their own LCFS Credits and/or as an agent with respect to LCFS Credits generated and/or sold hereunder and Buyer hereby waives any claim against Seller and/or its affiliates based on any conflict of interest or alleged conflict of interest of Seller and/or its affiliates with respect to the manner, price or terms of the sale of any of the LCFS Credits generated and/or sold hereunder. Seller and/or its affiliates and control persons shall owe no fiduciary obligation to Buyer with respect to the LCFS Credits generated and sold. Seller and its affiliate's sole obligation with respect to the sale of LCFS Credits generated and/or sold in this transaction shall be to use commercially reasonable efforts to sell such credits alongside other LCFS Credits that Seller and/or its affiliates may market or sell based on the calendar quarter in which such credits are generated.

(c) Buyer will Deliver the Blue Gas LCFS Credits on or before the ninetieth (90th) day of the calendar quarter following the end of each calendar quarter at Buyer's sole expense. Within thirty (30) days after each Delivery, Seller will provide Buyer with a report detailing the quantity of LCFS Credits that Buyer Delivered to Seller's LCFS Account. All rights, title to and interest in and risk of loss for the Blue Gas LCFS Credits will transfer from Buyer to Seller upon Delivery. Seller shall pay Buyer eighty percent (80%) of the LCFS Credits Resale Price for each Blue Gas LCFS Credit sold by Seller. Seller shall make this payment within thirty (30) days of its receipt of payment for such sold Blue Gas LCFS Credits.

(d) Seller shall pay Buyer the RIN Share within thirty (30) days of the date of Seller's receipt of payment for such sold RINs.

(e) Buyer acknowledges that Seller and/or its affiliates will act as a principal with respect to their own RINs and/or as an agent with respect to RINs generated and/or sold hereunder and Buyer hereby waives any claim against Seller and/or its affiliates based on any conflict of interest or alleged conflict of interest of Seller and/or its affiliates with respect to the manner, price or terms of the sale of any of the RINs generated and/or sold hereunder. Seller and /or its affiliates and control persons shall owe no fiduciary obligation to Buyer with respect to the RINs generated and sold. Seller and its affiliate's sole obligation with respect to the sale of RINs generated and/or sold in this transaction shall be to use commercially reasonable efforts to sell such credits alongside other RINs that Seller and/or its affiliates may market or sell based on the calendar month in which such credits are generated.

6. Consultant Support.

Buyer and Seller shall work with Seller's consultant and/or RIN quality assurance plan (QAP) provider to ensure that it has created documentation necessary for Biogas and RIN creation in compliance with EPA requirements and LCFS Credit creation in compliance with CARB requirements. Seller shall be responsible for all of its costs incurred for EPA RFS and LCFS compliance and RIN generation. Seller shall also be responsible for all of its costs incurred for LCFS Credit generation when such credits are generated by the Biogas provided by Seller to Buyer hereunder. Buyer shall be responsible for all of its costs incurred for LCFS Credit generation when such credits are generated by Conventional Gas.

7. Change in Regulation

(a) Change in CARB Regulations. In the event CARB amends its regulations for the creation and sale of LCFS Credits, Buyer and Seller shall work together and attempt to amend this Transaction Confirmation to maintain the economic arrangement set forth herein.

(b) Change in EPA Regulations. In the event that the EPA amends its regulations for the creation of RINs as related to the purchase and sale of Biogas for the production of Vehicle Fuel, Buyer and Seller shall work together and attempt to amend this Transaction Confirmation accordingly.

8. Environmental Attributes and Alternative Fuel Credit

Buyer is not entitled to any RINS, LCFS Credits generated from Biogas provided under this Transaction Confirmation, or other environmental attributes that may be attributed to or generated from the Biogas delivered under this Transaction Confirmation other than as specifically stated herein. Seller's retention and/or sale of RINS and/or LCFS Credits generated from the Biogas delivered under this Transaction Confirmation shall not limit Buyer's ability to report the purchase of Biogas and applicable reductions in greenhouse gases or emissions directly associated with the use of Biogas in its transportation fleet. Seller represents and warrants that no other entity is entitled to claim the reductions in greenhouse gases or emissions directly associated with the use of the Biogas provided hereunder as a transportation fuel other than Buyer.

As between the parties, to the extent available, Buyer shall be solely entitled to claim 100% of the federal Alternative Fuel Credit (defined below) revenue as allowed or may be allowed under Sections 6426 and 6427 of the

Internal Revenue Code of 1986 (“Alternative Fuel Credit”), as may be amended, for each gasoline gallon equivalent of Conventional Gas or Biogas dispensed from the Station. The parties agree that Buyer will be considered the “Alternative Fueler” as defined in Proposed Treasury Regulation Section 48-6426-1 and is responsible for remitting any federal or state fuel taxes, if any, imposed on the subsequent sale or use of such fuel.

9. Adjustment for Disqualified Biogas

In addition to other remedies available under the Base Contract and hereunder, if Gas sold by Seller and purchased by Buyer hereunder originally deemed to be Biogas becomes classified as Disqualified Biogas and such disqualification did not occur based on an act or omission of Seller, Seller will be entitled to a refund of any payment made to Buyer under Sections 5(a) and 5(d) above which is related to such Gas. This obligation shall survive the termination or expiration of this Transaction Confirmation.

10. Failure to Produce Vehicle Fuel

In the event that Buyer cannot utilize any Biogas for the production of a Vehicle Fuel, including but not limited to an event of Force Majeure or Event of Default, Buyer shall promptly notify Seller in writing. Any disruption due to an event of Force Majeure shall not be considered an Event of Default resulting in Early Termination under the Base Contract.

In addition to all other remedies under the Base Contract and hereunder, if Gas sold by Seller and purchased by Buyer hereunder originally deemed to be Biogas is not processed into a Vehicle Fuel, Seller will be entitled to a refund of any payment made to Buyer under Sections 5(a) and 5(d) above for the volume of Biogas that was not processed into a Vehicle Fuel. This obligation shall survive the termination or expiration of this Transaction Confirmation.

11. Further Assurances

Each party will provide the other party such cooperation, additional documentation, certifications or other information as may be reasonably necessary to carry out the purposes of this Transaction Confirmation (including pursuant to any audit of this Transaction Confirmation by a Governmental Authority) and in order for title to the conveyed Green Attributes to vest in the Seller in connection with the purchase and sale of the Contract Quantity of Biogas.

12. AB 32

Effective January 2015, transportation fuel suppliers in California are subject to the Cap and Trade regulations under AB 32. AB 32 requires fuel suppliers to purchase compliance instruments if the total amount of greenhouse gas (GHG) emissions from fuel they supply in California exceeds 25,000 MTC02e per year. Seller will pass through any applicable AB 32 compliance costs for non-exempt gas purchased hereunder to Buyer.

Seller: **Clean Energy Renewable Fuels, LLC**

Buyer: **Midway City Sanitary District**

By: 

By: 

Name: Tyler Henn

Name: Ken Robbins

Title: VP & General Manager

Title: General Manager

Date: May 28, 2019

Date: 5/31/2019

EXHIBIT A

CNG Station Location		
Street Address	City and State	Local Distribution Channel
14451 Cedarwood Avenue	Westminster, CA	SoCalGas

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY



Date: May 28, 2019
Transaction Confirmation #:
MID001-TC02

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated May 28, 2019. The terms of this Transaction Confirmation are binding upon execution by the parties.

SELLER:

Midway City Sanitary District
14451 Cedarwood St.
Westminster, CA 92683
Attn: Ken Robbins
Phone: 714-893-3553

BUYER:

Clean Energy Renewable Fuels, LLC

Attn: Tyler Henn
Phone: 949-437-1258
Fax: 949-724-1358
Base Contract No. MID001

Contract Price:

Contract Price (\$/MMBtu)

The "Contract Price" (per MMBtu) means the First of the Month Index Price for Monthly Deliveries at the Delivery Point as published by the McGraw-Hill Companies, or any successor-in-interest thereto, in the Platt publication, *Inside FERC Gas Market Report*, first of month publication, under the table "Market Center Spot Prices", for the delivery Month under the column "Index", under the table "South Louisiana", in the row labeled "Henry Hub".

Delivery Period: The Delivery Period shall commence on the first (1st) day of the Delivery Period of Transaction Confirmation # MID001-TC01, between the parties and dated May 28, 2019, and shall end on the last day of the Delivery Period of Transaction Confirmation # MID001-TC01, by and between Buyer and Seller.

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):

_____ MMBtus/day

EFP

Firm (Variable Quantity):

0 MMBtus/day Minimum

100 MMBtus/day Maximum

Interruptible:

Up to _____
MMBtus/day.

Performance Obligation: During every month of the Delivery Period of this Transaction Confirmation, Buyer will purchase, and Seller will be obligated to sell, Gas in identical corresponding volumes to Seller's purchases of Biogas (as defined in Transaction Confirmation # MID001-TC01) from Buyer under Transaction Confirmation # MID001-TC01 during such month.

Delivery Point: The Delivery Point shall be Seller's Southern California Gas Company ("SoCalGas") meter interconnect at Seller's California compressed natural gas ("CNG") station listed in Exhibit A, which is attached hereto and incorporated herein by reference, at which point title to the Gas sold by Seller to Buyer under this Transaction Confirmation will transfer from Seller to Buyer.


Special Conditions:

1. *Hierarchy and Governing Law.* In the event of any inconsistency between the Base Contract and this Transaction Confirmation, this Transaction Confirmation shall govern.

Seller: **Midway City Sanitary District**

Buyer: **Clean Energy Renewable Fuels, LLC**

By: _____


Ken Robbins

Name: Ken Robbins

Title: General Manager

Date: Mat 28, 2019

By: _____


Tyler Henn

Name: Tyler Henn

Title: VP & General Manager

Date: May 28, 2019

Exhibit A

CNG Station Location		
Street Address	City and State	Local Distribution Channel
14451 Cedarwood Avenue	Westminster, CA	SoCalGas

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

	Date: _____, 2024 Transaction Confirmation #: MID001-TC04	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated <u>May 2, 2019</u> . The terms of this Transaction Confirmation are binding upon execution by the parties.		
SELLER: Midway City Sanitary District Attn: Robert Housley Phone: (714) 893 3553	BUYER: Clean Energy Renewable Fuels, LLC Attn: Jen Komonchak Phone: 949-437-1251 Base Contract No. MID001	
Contract Price:		
Contract Price (\$/MMBtu) The “ Contract Price ” (per MMBtu) means the First of the Month Index Price for Monthly Deliveries at the Delivery Point as published by the McGraw-Hill Companies, or any successor-in-interest thereto, in the Platt publication, <i>Inside FERC Gas Market Report</i> , first of month publication, under the table “Market Center Spot Prices”, for the delivery Month under the column “Index”, under the table “South Louisiana”, in the row labeled “Henry Hub”.		
Delivery Period: The Delivery Period shall commence on the first (1 st) day of the Delivery Period of Transaction Confirmation # MID001-TC03 between the parties and dated _____, and shall end on the last day of the Delivery Period of Transaction Confirmation # MID001-TC03, by and between Buyer and Seller.		
Performance Obligation and Contract Quantity: (Select One)		
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): <u>0</u> MMBtus/day Minimum <u>100</u> MMBtus/day Maximum	Interruptible: Up to _____ MMBtus/day.
Performance Obligation: During every month of the Delivery Period of this Transaction Confirmation, Buyer will purchase, and Seller will be obligated to sell, Gas in identical corresponding volumes to Seller’s purchases of Biogas (as defined in Transaction Confirmation # MID001-TC03) from Buyer under Transaction Confirmation # MID001-TC03 during such month.		
Delivery Point: The Delivery Point shall be Seller’s Southern California Gas Company (“SoCalGas”) meter interconnect at Seller’s California compressed natural gas (“CNG”) station listed in <u>Exhibit A</u> , which is attached		

hereto and incorporated herein by reference, at which point title to the Gas sold by Seller to Buyer under this Transaction Confirmation will transfer from Seller to Buyer.

Special Conditions:

1. *Hierarchy and Governing Law.* In the event of any inconsistency between the Base Contract and this Transaction Confirmation, this Transaction Confirmation shall govern.

Seller: **Midway City Sanitary**

By: _____

Name: Robert Housley

Title: General Manager

Date: _____

Buyer: **Clean Energy Renewable Fuels, LLC**

By: _____

Name: Robert M. Vreeland

Title: Chief Financial Officer

Date: _____

Exhibit A

CNG Station Location		
Street Address	City and State	Local Distribution Channel
14451 Cedarwood Avenue	Westminster, CA	SoCalGas

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

	Date: _____, 2024 Transaction Confirmation #: MID001-TC03
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This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated May 2, 2019. The terms of this Transaction Confirmation are binding upon execution by the parties.

SELLER:
 Clean Energy Renewable Fuels, LLC

 Attn: Jen Komonchak
 Phone: 949-437-1251
 Base Contract No. MID001

BUYER:
 Midway City Sanitary District

 Attn: Robert Housley
 Phone: 714-893-3553

Contract Price:

Contract Price (\$/MMBtu)

The “**Contract Price**” (per MMBtu) means the First of the Month Index Price for Monthly Deliveries at the Delivery Point as published by the McGraw-Hill Companies, or any successor-in-interest thereto, in the Platt publication, *Inside FERC Gas Market Report*, first of month publication, under the table “Market Center Spot Prices”, for the delivery Month under the column “Index”, under the table “South Louisiana”, in the row labeled “Henry Hub”.

Delivery Period: The Delivery Period shall begin on July 1, 2024 (the “Start Date”) and end on the five (5) year anniversary of the Start Date (the “Initial Delivery Period”).

Thereafter, the Delivery Period shall automatically extend for consecutive one (1) year renewal terms (each a “Renewal Delivery Period”) unless either party provides the other with a written notice of termination at least ninety (90) days prior to the end of the Delivery Period. The Initial Delivery Period and any Renewal Delivery Period(s) shall be collectively referred to as the “Delivery Period”.

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):

_____ MMBtus/day

EFP

Firm (Variable Quantity):

0 MMBtus/day Minimum

100 MMBtus/day Maximum (“**Max Daily Quantity**”)

Interruptible:

Up to _____
MMBtus/day.

Performance Obligation: During each month of the Delivery Period of this Transaction Confirmation, Seller will deliver to Buyer, and Buyer will purchase, Biogas in identical corresponding volumes to Seller’s purchases of Conventional Gas (as defined below) from Buyer under Transaction Confirmation # MID001-TC04 (between the parties and dated _____) during such month.

The Variable Quantity shall be made up of Biogas. Buyer acknowledges that the delivered quantities of Biogas will fluctuate and agrees to receive all Biogas, up to the Max Daily Quantity. Seller shall be the exclusive provider of Biogas to Buyer at the Delivery Point during the Delivery Period.

Subject to the terms of this Transaction Confirmation and the Max Daily Quantity described above, during each consecutive six (6) month period beginning on the first day of the Delivery Period and ending on the last day of the Delivery Period, and as long as such six (6) month period does not contain a Missed Month (as defined below), Seller shall use reasonable efforts to provide an amount of Biogas to the Delivery Point which is equal to ninety percent (90%) of Buyer's Gas Quantity (as defined below) for the applicable rolling six (6) month period (the "**Minimum Commitment**"). "**Buyer's Gas Quantity**" means the total amount of natural gas provided to the Station (as defined below) based on the invoices (which are related to the Delivery Point and the applicable rolling six (6) month) Buyer receives from the natural gas utility (and provides to Seller pursuant to Section 2(a) below) but limited to such portion of the gas which is deemed to have been actually consumed as a Vehicle Fuel (as determined in accordance with Seller's LCFS and RFS compliance protocol).

Beginning on the one (1) year anniversary of the first day of the Delivery Period, Buyer may, as its sole and exclusive remedy for any failure by Seller to comply with the Minimum Commitment described above, terminate this Transaction Confirmation upon written notice, with the termination date determined as described in the following sentence, in the event that over any consecutive six (6) month period, as long as such six (6) month period does not contain a Missed Month, the total volume of Biogas sold by Seller to Buyer hereunder is less than the lesser of: (a) ninety percent (90%) of Buyer's Gas Quantity during such six (6) month period; and (b) the Max Daily Quantity, referenced above, multiplied by the number of days in the applicable six (6) month period. The termination date will be the first day after the end of the LCFS reporting calendar quarter in which the written termination notice was received by Seller. Seller will provide a written notice to Buyer which indicates the termination date.

Delivery Point: The Delivery Point shall be Buyer's Southern California Gas Company ("SoCalGas") meter interconnect at Buyer's California compressed natural gas ("CNG") station listed in Exhibit A ("**Station**"), which is attached hereto and incorporated herein by reference.

Definitions:

"**Advanced Biofuel**" means a renewable fuel as set forth in the EPA RFS program (40 C.F.R. § 80.1401 (2012)), other than ethanol derived from corn starch, and which must achieve a Lifecycle Greenhouse Gas Emission displacement of fifty percent (50%) compared to the baseline Lifecycle Greenhouse Gas Emissions.

"**Alternative Fuel**" means any transportation fuel that is not California reformulated gasoline or a diesel fuel, including but not limited to, those fuels specified in the California Low Carbon Fuel Standard (Cal. Code Regs. tit. 17, § 95480.1(a)(12) (2010)).

"**Blue Gas LCFS Credits**" means LCFS Credits which are generated by Seller when Conventional Gas is dispensed from the Station as a Blue Gas Vehicle Fuel.

"**Blue Gas Vehicle Fuel**" means CNG derived from Conventional Gas and used in transportation vehicles.

"**Biogas**" or "**RNG**" means pipeline quality Gas derived from the decomposition of organic matter that meets the EPA RFS eligibility requirements as either an Advanced Biofuel or Cellulosic Biofuel.

“**CARB**” means the California Air Resources Board or its successor agency and policies established under the California Low Carbon Fuel Standard Regulation, (Cal. Code Regs. tit. 17, §§ 95480 – 90 (2010).), (collectively, the “**LCFS**”) applying to any transportation fuel that is sold, supplied, or offered for sale in California.

“**Cellulosic Biofuel**” means a renewable fuel derived from any cellulose, hemi-cellulose or lignin that has lifecycle greenhouse gas emissions that are at least sixty percent (60%) less than the Baseline Lifecycle Greenhouse Gas emissions (as set forth in the EPA RFS program (40 C.F.R. § 80.1401 (2012))).

“**CI**” or “**Carbon Intensity**” means the quantity of life cycle greenhouse gas emissions, per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule (gCO₂e/ML) as defined in the LCFS (as amended or replaced with a subsequent program).

“**Conventional Gas**” means Gas other than Biogas.

“**Disqualified Biogas**” means Gas that was initially determined by the parties upon delivery to be Biogas but subsequently becomes disqualified as Biogas by not satisfying the requirements of the EPA Renewable Fuels Standard or the CARB LCFS.

“**EPA**” means the United States Environmental Protection Agency.

“**EPA Renewable Fuels Standard**” or “**EPA RFS**” means the renewable energy program and policies established by the Environmental Protection Agency and published on March 26, 2010 (at 75 Fed. Reg. 14670) and which became effective on July 1, 2010.

“**First Fuel Reporting Entity**” means the first entity responsible for reporting in the LRT-CBTS (LCFS reporting tool-credit and banking transfer system) for a given amount of fuel. This is the entity that initially holds the status as the fuel reporting entity and the credit or deficit generator but may transfer either status pursuant to sections 95483 or 95483.1.

“**Green Attributes**” means any and all attributes, including Lifecycle Greenhouse Gas Emissions, associated with the production, sale and use of Biogas as an Advanced Biofuel, Cellulosic Biofuel, low carbon fuel or Alternative Fuel as necessary to generate or claim applicable CARB LCFS Credits and EPA RINs.

“**Greenhouse Gas**” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as Greenhouse Gases under any federal, state or local law or regulation, or any emission reduction registry, trading system, or reporting or reduction program for Greenhouse Gas emission reductions that is established, certified, maintained, or recognized by any international, governmental (including U.N., federal, state, or local agencies), or non-governmental agency from time to time, in each case measured in increments of one metric tonne of carbon dioxide equivalent.

“**Governmental Authority**” means any federal, state, local, or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority. Governmental Authority includes, without limitation, the EPA, CARB and the California Public Utilities Commission or its successor agency.

“**Incremental LCFS Credits**” means the number of LCFS Credits generated from the use of Biogas Vehicle Fuel that exceed the number of LCFS Credits (if any) that would have been generated using the lesser of: (a) the CI of the default CNG pathway used for Conventional Gas; or (b) the compliance curve set by CARB: “Benchmarks for Diesel Fuel and Fuels used as a Substitute for Diesel Fuel” (as defined from time to time in Title 17 of the California Code of Regulations for the Low Carbon Fuel Standard).

“**Lifecycle Greenhouse Gas Emissions**” means the aggregate quantity of Greenhouse Gas emissions (including direct emissions and significant indirect emissions from land use changes), as determined by the EPA RFS or CARB, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from

feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

“**LCFS Account**” means an account containing an entity’s LCFS Credits, established and maintained in accordance with the LCFS.

“**Low Carbon Fuel Standard Credits**” or “**LCFS Credits**” shall mean credits generated and traded under the California Air Resources Board Low Carbon Fuel Standard, with each credit equal to one metric tonne of Carbon Dioxide reductions as compared to the baseline CO2 emissions under the Low Carbon Fuel Standard.

“**LCFS Credits Resale Price**” shall be calculated by reference to the volume weighted average price of all LCFS Credits of the same annual and quarterly vintage realized by Seller within the same calendar quarter.

“**LRT**” means the reporting tool established in accordance with LCFS and required by CARB to submit annual compliance and quarterly progress reports and track LCFS Credits.

“**Renewable Identification Number**” or “**RIN**” is a number generated to represent a volume of renewable fuel as set forth in Regulation of Fuels and Fuel Additives: Changes to Renewable Fuel Standard Program, 75 Fed. Reg. 16484 (March 26, 2010) (codified at 40 C.F.R. § 80.1425 (2011); 40 C.F.R. § 80.1426 (2012).).

“**RIN Resale Price**” shall be calculated by reference to the volume weighted average price of all RINs which is realized by Seller that were generated within the same calendar month.

“**Vehicle Fuel**” means CNG or liquefied natural gas (LNG) derived from Gas and used in transportation vehicles.

Special Conditions:

1. Representations.

(a) Buyer represents that it shall process all Biogas purchased from Seller hereunder into Vehicle Fuel which shall be distributed as Vehicle Fuel through Buyer’s Station.

(b) When applicable, Buyer represents that it is not aware of any reason that would cause the Blue Gas LCFS Credits not to comply with the LCFS.

2. Records and Documentation Related to Biogas and RIN and LCFS Credits Creation.

(a) Buyer shall provide Seller with a copy of its natural gas invoices related to the Delivery Point for the prior month (when such prior month is during the term of this Transaction Confirmation) between the 10th and 20th day of each month.

Notwithstanding anything to the contrary in this Transaction Confirmation, including without limitation, the terms in the “Performance Obligation and Contract Quantity” Section above, in the event Seller does not receive the invoice within the time period identified above, Seller shall: (1) not have any obligation to Buyer to make any payment to Buyer (including, without limitation, the Seller’s Payment) which relates to the month in which it did not receive a corresponding natural gas invoice (the “**Missed Month**”); (2) not have any obligation to supply Biogas during the Missed Month, and therefore, shall not generate any credits (neither RINs nor LCFS Credits); and (3) treat such Missed Month as if Seller, sold and Buyer, purchased 0 MMBtus of Biogas during such month and such treatment shall not be considered a breach of any of the obligations of Seller pursuant to this Transaction Confirmation. In the event there are three (3) consecutive Missed Months, Seller may terminate this Transaction Confirmation, based on Buyer’s default, upon a written notice to Buyer which shall specify the effective date of termination.

This obligation to provide the relevant invoice(s) shall survive the termination or expiration of this Transaction Confirmation until the last day of the full calendar month following the month in which this Transaction Confirmation expired or terminated. Buyer shall maintain all records relevant to the purchase of Biogas from Seller and use of such Biogas as a Vehicle Fuel in accordance with the requirements of the CARB for the creation and sale of LCFS Credits.

(b) Seller shall maintain records relevant to the production and purchase and sale of Biogas and transportation and distribution of the Biogas purchased hereunder as a Vehicle Fuel as it applies to the creation and sale of LCFS Credits in accordance with the requirements of CARB.

(c) Buyer shall provide reasonable cooperation to Seller with respect to the requirements for the generation of RINS under the EPA RFS including, without limitation, by signing periodic attestations regarding the use of the Biogas sold hereunder as a Vehicle Fuel. Further, on at least a quarterly basis, and at any other time requested by Seller, Buyer shall provide Seller with attestations executed by an authorized officer of Buyer which indicate that the volume of Conventional Gas and Biogas (as applicable) delivered to the Station is consumed as a Vehicle Fuel. Buyer shall provide Seller with such attestations no later than thirty (30) days after Seller's written request.

3. Hierarchy and Governing Law.

In the event of any inconsistency between the Base Contract and this Transaction Confirmation, this Transaction Confirmation shall govern. The law governing the Base Contract shall apply to this Transaction Confirmation, except to the extent that the EPA RFS and CARB Low Carbon Fuels Standard, together with regulations and decisions promulgated thereunder, are applicable to the purchase and sale of Biogas.

4. CARB LCFS Fuel Reporting Entity Status.

Pursuant to the California Code of Regulations for the Low Carbon Fuel Standard, Seller will retain the Low Carbon Fuel Standard (LCFS) First Fuel Reporting Entity status as set forth in Title 17, California Code of Regulations in § 95483 with respect to all Biogas sold by Seller to Buyer hereunder (the "Purchased Biogas").

Buyer will elect to not be the First Fuel Reporting Entity for Conventional Gas (referred to as "Fossil CNG" in the California Code of Regulations in §§ 95483) as set forth in Title 17, California Code of Regulations in § 95483, and designates Seller as the First Fuel Reporting Entity for Conventional Gas under the California Air Resources Board as set forth in Title 17, California Code of Regulations § 95480.3 with respect to all Conventional Gas purchased by Buyer at the Delivery Point during the Delivery Period (the "Purchased Conventional Gas").

Buyer and Seller agree that: (A) for Conventional Gas, the original First Fuel Reporting Entity (Buyer) per subsections (1)(A) through (1)(E) will not generate credits or deficits in the LCFS and will instead provide the amount of fuel dispensed, and other required information pursuant to sections 95483.2(b)(8), 95491 and 95491.1, to the contractually designated entity (Seller) for the purpose of LCFS reporting and credit or deficit generation; and (B) the contractually designated entity (Seller) accepts all LCFS responsibilities as the First Fuel Reporting Entity for Conventional Gas and as a credit or deficit generator, as applicable.

Any deficits generated based on Seller's status as the First Fuel Reporting Entity for the Purchased Biogas or the Purchased Conventional Gas shall be deemed to be Buyer's sole financial responsibility; and therefore, in the event any deficits are generated based on Seller's status as the First Fuel Reporting Entity for the Purchased Biogas or the Purchased Conventional Gas, notwithstanding anything to the contrary in this Transaction Confirmation or the Base Contract, Seller may: (1) offset any deficits with Incremental LCFS Credits or other LCFS Credits generated by Seller based on the Purchased Biogas and Purchased Conventional Gas (if any), a portion or all of which would have been paid to Buyer pursuant to the Seller's Payment; and/or (2) purchase LCFS Credits equal to the deficit with Buyer being financial responsible (Seller will invoice Buyer) for all costs incurred by Seller to purchase such LCFS Credits (including, without limitation, the price per LCFS Credit paid by Seller to the applicable third party credit

seller multiplied by the number of LCFS Credits that need to be purchased to satisfy the deficit); and/or (3) invoice Buyer for all amounts (including, without limitation, any attorney's fees or broker fees) Seller incurred based on such deficit(s). Buyer shall remit payment to Seller within fifteen (15) days of its receipt of a Seller invoice pursuant to this Section. Buyer shall be deemed to have received an invoice from Seller three (3) days after the invoice is sent to Buyer.

5. LCFS Credit and RIN Sales.

(a) Seller shall remit payments to Buyer as described in this Transaction Confirmation and **Exhibit B**, Payment Schedule.

(b) Buyer acknowledges that Seller and/or its affiliates will act as a principal with respect to their own LCFS Credits and/or as an agent with respect to LCFS Credits generated and/or sold hereunder and Buyer hereby waives any claim against Seller and/or its affiliates based on any conflict of interest or alleged conflict of interest of Seller and/or its affiliates with respect to the manner, price or terms of the sale of any of the LCFS Credits generated and/or sold hereunder. Seller and /or its affiliates and control persons shall owe no fiduciary obligation to Buyer with respect to the LCFS Credits generated and sold. Seller and its affiliate's sole obligation with respect to the sale of LCFS Credits generated and/or sold in this transaction shall be to use commercially reasonable efforts to sell such credits alongside other LCFS Credits that Seller and/or its affiliates may market or sell based on the calendar quarter in which such credits are generated.

(c) Buyer acknowledges that Seller and/or its affiliates will act as a principal with respect to their own RINs and/or as an agent with respect to RINs generated and/or sold hereunder and Buyer hereby waives any claim against Seller and/or its affiliates based on any conflict of interest or alleged conflict of interest of Seller and/or its affiliates with respect to the manner, price or terms of the sale of any of the RINs generated and/or sold hereunder. Seller and /or its affiliates and control persons shall owe no fiduciary obligation to Buyer with respect to the RINs generated and sold. Seller and its affiliate's sole obligation with respect to the sale of RINs generated and/or sold in this transaction shall be to use commercially reasonable efforts to sell such credits alongside other RINs that Seller and/or its affiliates may market or sell based on the calendar month in which such credits are generated.

6. Consultant Support.

Buyer and Seller shall work with Seller's consultant and/or RIN quality assurance plan (QAP) provider to ensure that it has created documentation necessary for Biogas and RIN creation in compliance with EPA requirements and LCFS Credit creation in compliance with CARB requirements.

7. Regulatory Hinderance.

In the event that: (a) the RFS and/or LCFS are materially modified, repealed, stayed, enjoined, or end prior to the end of the Delivery Period; or (b) a regulatory change (1) makes the sale of the Biogas and conversion thereto into vehicle fuel and the coincident generation of RINs and/or LCFS Credits illegal or impossible, or (2) hinders Seller's performance of its obligations under this Transaction Confirmation; (each event shall be referred to as a "**Regulatory Hinderance**"), then Buyer and Seller shall work together to renegotiate the affected terms of this Transaction Confirmation. If Buyer and Seller do not agree on an amendment to the Transaction Confirmation within sixty (60) days from the date the Seller initiated renegotiation, then either Buyer or Seller shall have the right to terminate the Transaction Confirmation. In the event of termination, the process described in Section 10.3 of the Base Contract shall be followed except that (y) references therein to the "Defaulting Party" and to the "Non-Defaulting Party" will be deemed references to Buyer and to Seller, respectively, and (z) no early termination damages will apply to the termination, and therefore, the process described in "Early Termination Damages Do Not Apply" in Section 10.3.1 of the Base Contract shall be followed. As used herein, "**Biogas Supply Source**" means a third party who sells Biogas to Seller which Seller sells to Buyer hereunder.

8. Environmental Attributes and Alternative Fuel Credit

Buyer is not entitled to any RINS, LCFS Credits generated from Biogas provided under this Transaction Confirmation, or other environmental attributes that may be attributed to or generated from the Biogas delivered under this Transaction Confirmation other than as specifically stated herein. Seller's retention and/or sale of RINS and/or LCFS Credits generated from the Biogas delivered under this Transaction Confirmation shall not limit Buyer's ability to report the purchase of Biogas and applicable reductions in greenhouse gases or emissions directly associated with the use of Biogas in its transportation fleet. Seller represents and warrants that no other entity is entitled to claim the reductions in greenhouse gases or emissions directly associated with the use of the Biogas provided hereunder as a transportation fuel other than Buyer.

As between the parties, to the extent available, Buyer shall be solely entitled to claim 100% of the federal Alternative Fuel Credit (defined below) revenue as allowed or may be allowed under Sections 6426 and 6427 of the Internal Revenue Code of 1986 ("Alternative Fuel Credit"), as may be amended, for each gasoline gallon equivalent of Conventional Gas or Biogas dispensed from the Station. The parties agree that Buyer will be considered the "Alternative Fueler" as defined in Proposed Treasury Regulation Section 48-6426-1 and is responsible for remitting any federal or state fuel taxes, if any, imposed on the subsequent sale or use of such fuel.

9. Adjustment for Disqualified Biogas

In addition to other remedies available under the Base Contract and hereunder, if Gas sold by Seller and purchased by Buyer hereunder originally deemed to be Biogas becomes classified as Disqualified Biogas and such disqualification did not occur based on an act or omission of Seller, Seller will be entitled to a refund of any payment made to Buyer which is related to such Gas. This obligation shall survive the termination or expiration of this Transaction Confirmation.

10. Failure to Produce Vehicle Fuel

In addition to all other remedies under the Base Contract and hereunder, if Gas sold by Seller and purchased by Buyer hereunder originally deemed to be Biogas is not processed into a Vehicle Fuel, Seller will be entitled to a refund of any payment made to Buyer for the volume of Biogas that was not processed into a Vehicle Fuel. Further, if any Purchased Conventional Gas is not processed into a Vehicle Fuel, Seller will be entitled to a refund of any payment made to Buyer which relates to the volume of Purchased Conventional Gas that was not processed into a Vehicle Fuel. This obligation shall survive the termination or expiration of this Transaction Confirmation.

11. Further Assurances

Each party will provide the other party such cooperation, additional documentation, certifications or other information as may be reasonably necessary to carry out the purposes of this Transaction Confirmation (including pursuant to any audit of this Transaction Confirmation by a Governmental Authority) and in order for title to the conveyed Green Attributes to vest in the Seller in connection with the purchase and sale of the Contract Quantity of Biogas.

12. AB 32

Effective January 2015, transportation fuel suppliers in California are subject to the Cap and Trade regulations under AB 32. AB 32 requires fuel suppliers to purchase compliance instruments if the total amount of greenhouse gas (GHG) emissions from fuel they supply in California exceeds 25,000 MTC02e per year. Seller will pass through any applicable AB 32 compliance costs for non-exempt gas purchased hereunder to Buyer.

Seller: **Clean Energy Renewable Fuels, LLC**
By: _____

Buyer: **Midway City Sanitary District**
By: _____

Name: Robert M. Vreeland

Name: Robert Housley

Title: Chief Financial Officer

Title: General Manager

Date: _____

Date: _____

EXHIBIT A

CNG Station Location		
Street Address	City and State	Local Distribution Channel
14451 Cedarwood Avenue	Westminster, CA	SoCalGas

EXHIBIT B
Payment Schedule

Calendar Year	RNG MMBtu	CI Number Used by Seller to Determine Payment to Buyer. (This CI Number is allocated at the gas meter for the determination of payment to Buyer regardless of the actual CI of the RNG supplied.)	LCFS Compliance Curve CI	Number of Incremental LCFS Credits generated per RNG MMBtu based on corresponding CI number (as shown in this table) for such RNG (“LCFS Credit Generation Rate”)	Buyer Percentage of LCFS Credit Generation Rate	Number of RINs generated per RNG MMBtu (“RIN Generation Rate”)	Buyer Percentage of RIN Credit Generation Rate
2024	1	48.00	87.89	0.02962883	60%	11.727	10%
2025	1	48.00	86.64	0.02855709	60%	11.727	10%
2026	1	48.00	85.38	0.02747676	60%	11.727	10%
2027	1	48.00	84.13	0.02640502	60%	11.727	10%
2028	1	48.00	82.87	0.02532469	60%	11.727	10%
2029	1	48.00	81.62	0.02425295	60%	11.727	10%

Terms and Conditions:

- (1) Within thirty (30) days of Seller’s receipt of payment for all RINs generated during the prior month, Seller will pay Buyer the “**RIN Payment**” which is described below:

$$[[\text{applicable Calendar Year Buyer Percentage of RIN Credit Generation Rate as shown in the table above}] \times (11.727 \times [(\text{cumulative Gas MMBtus dispensed from the Stations (as determined in accordance with Seller’s LCFS and RFS compliance protocol) during the applicable calendar month where such month is within the Delivery Period})] \times [\text{RIN Resale Price}])]$$
- (2) Within thirty (30) days of Seller’s receipt of payment for all LCFS Credits generated during the prior calendar quarter, Seller will pay Buyer the “**LCFS Payment**” which is described below:

- (i) $[\text{LCFS Credits Resale Price}] \times [(\text{applicable Calendar Year Buyer Percentage of LCFS Credit Generation Rate as shown in the table above}) \times [(\text{applicable LCFS Credit Generation Rate}) \times ((\text{cumulative Gas MMBtus dispensed from the Stations (as determined in accordance with Seller's LCFS and RFS compliance protocol)}) \text{ during the applicable calendar quarter where such calendar quarter is within the Delivery Period})]]]$.
- (3) The RIN Payment and the LCFS Payment shall collectively be referred to as the “**Seller Payment**” or “**Seller’s Payment**”. Specifically, and only, for the purposes of determining the Seller Payment, and subject to Buyer’s compliance with Section 2(a) of the Special Conditions, all Gas supplied to the Stations is deemed to be RNG with the applicable CI Number shown in the table above for the applicable calendar year. Buyer acknowledges and agrees that the CI for the actual Biogas supplied by Seller to Buyer pursuant to this Transaction Confirmation will vary over the Delivery Period, however, the CI number used to determine the Seller Payments will not vary from the applicable numbers described above unless in the event of a Missed Month as described in Section 2(a) of the Special Conditions.
- (4) In the event CARB modifies the LCFS CI benchmarks for diesel during the term of this Transaction Confirmation, the numbers above shall be proportionally adjusted by Seller to maintain the economic intent of the parties as of the day they entered into this Transaction Confirmation. Upon the determination of such adjustment by Seller, Seller shall provide Buyer with a new table which upon Seller’s transmission of such updated table to Buyer shall be deemed to automatically supersede and replace the table above.

AGENDA ITEM 9A

Date: July 16, 2024

To: Board of Directors

From: Robert Housley, General Manager

Prepared by: Nicolas Castro, Director of Operations/Safety

Subject: Consider Purchase of One (1) New Trailer Mounted Portable Generator

BACKGROUND

The Midway City Sanitary District's current trailer mounted portable generator is classified as Tier 1, which is no longer permitted by the South Coast Air Quality Management District (AQMD) under Rule 1470. Rule 1470 mandates stricter emission standards for stationary and portable engines to reduce air pollution. To comply with these updated regulations and ensure uninterrupted service, it is necessary to purchase a new trailer mounted portable generator that meets current emission standards. On May 21, 2024, the Board declared several vehicles, including the trailer mounted portable generator, as Surplus Property and authorized the General Manager to dispose of these vehicles. The existing trailer mounted portable generator has served the District for several years, providing essential backup power during outages and emergencies. However, the classification of this generator as Tier 1 means it falls short of current emission standards set by the AQMD. The continued use of this generator is not permissible under the new regulations, and it is crucial to transition to a compliant model to avoid penalties and potential disruptions in service.

DISCUSSION

The Midway City Sanitary District aims to enhance its operations with environmentally friendly equipment. Acquiring a new trailer mounted portable generator that meets the latest emission standards will ensure the District remains compliant with AQMD regulations. This trailer mounted portable generator will support various operational needs, including potential emergency call outs, lift station services / repairs, potential water / wastewater surges.

District staff solicited formal bids / proposals from the three (3) vendors and received five (5) responses, which are attached to this Report and summarized below.

Vendor Name	Generator Make	Total Bid Amount
Quinn Power Systems	New Caterpillar, Model XQ35CM	\$56,735.97
Volvo Construction E & S	New Electric 30kW e-Generator (level 2)	\$170,166.78
Bay City Electric Works	New Bobcat PG70WCU-3A-T4F	\$78,191.25
Bay City Electric Works	New Bobcat PG100WCU-3A-T4F	\$89,718.75
Volvo Construction E & S	New Doosan G40WDO	\$42,325.99

Each quote is inclusive of all taxes and fees and an extended warranty. Each of the four trailer mounted portable generators meets the District's specifications and will serve the District's operational needs. The low bid is from Volvo Construction Equipment & Services for the Doosan G40WDO portable generator; however, pricing for the generator could be subject to change due to supply chain and/or production issues.

FISCAL IMPACT

The new trailer mounted portable generator is anticipated to cost \$42,325.99, which includes manufacturer warranty. For this purchase, the District budgeted \$80,000 (see line item 21 on page 27 of the FY 2024/2025 Budget).

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the purchase of one new trailer mounted portable generator from Volvo Construction Equipment & Services in the amount of \$42,325.99 and authorize the General Manager to execute all necessary documents for said purchase and to expend up to an additional \$10,000 for unanticipated associated expenditures or pricing changes resulting from supply chain or production issues.

ATTACHMENTS

1. Quinn Power Systems pages 1-5
2. Volvo Construction Equipment & Services pages. 6-8
3. Bay City Electric Works pages 9-13
4. Bay City Electric Works pages 14-18
5. Volvo Construction Equipment & Services pages 19-21



QUOTATION

NO. 220259SW

3500 Shepherd Street, City of Industry, California 90601
 Box 226789, Los Angeles, California 90022-0744
 (562) 463-6000 Fax: (562) 463-7156

Date: June 21, 2024

Page: 1 of 5

To: Contact: _____
 Company: _____
 Address: _____
 City, Zip: _____
 Phone: _____ Email: _____

Terms: Net Cash, see T&C's
 F.O.B. Jobsite, unloading by others
 Sales Rep.: Cameron Early
 Contact #: (949) 395 1127
 Email: Cameron.early@quinnpower.com

Project Name: 220339 Midway City Sanitary District. XQ35

Qty:	Description	Unit Price	Extension
1	New Caterpillar, Model XQ35CM Diesel Standby Generator Set. Rated 27kW/, w/fan, 60Hz, 1Ph 3Ph, 120/208 120/240 277/480V at 1800 RPM Tier 4 Final Portable Generator. <i>Standard Features See Below</i> <ul style="list-style-type: none"> • Included Freight to Midway City Sanitary District Yard • Pre Delivery Inspection • Standard Warranty 	\$ 52,171.00	\$ 52,171.00
1	Sales Tax Midway City 8.75%	\$ 4,564.97	\$ 4,564.97
<p><i>Quote good for 30 DAYS. Limited Stock Available on a first com first serve basis. Please Call for Availability. Optional adders listed below.</i></p> <p><i>Includes standard features as listed in product data sheet and additional accessories as listed herein...</i></p>		Total Price	\$ 56,735.97

SALES TAX NOT INCLUDED. Buyer responsible for all taxes including any applicable tire fees. The quotation provided herein is for information only, and is not a valid offer to sell unless signed by an officer of Quinn Power Systems in the space provided below. Any offer to sell or any offer accepted shall be subject to the Terms and Conditions page. Unless expressly stated on the face of this quotation, all prices, delivery schedules and product specifications are subject to change without notice. Quotation is good for 30 days from quote date above, expires after that duration.



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Features

Feature	Qty	Description
PRIMEPA_I	1	PRIME POWER APPLICATION
CERTF4F_I	1	EPA/CARB TIER 4F EMISSION CERT
CERTUSA_I	1	INSIDE US EPA LOCATIONS
60H0480_I	1	60HZ 480 VOLT (WYE)
KW00027_I	1	60 Hz, 27 Kw
C02RN04_I	1	XQ35CM 480V 60Hz
STDALT_I	1	STANDARD ALTERNATOR
XQCP_I	1	STANDARD CONTROL PANEL- XQCP
LANENGC_I	1	ENGLISH PANEL LANGUAGE
LANENGO_I	1	ENGLISH INSTRUCTION LANGUAGE
MSEPGGN_I	1	GENERAL EPG
MSCEC72_I	1	COMMERCIAL BUSINESSES
MWCODEG_I	1	EMERGENCY STANDBY POWER
DFAH38010	1	DFA CONTRACT NUMBER
STDBASE_I	1	STANDARD BASE
H30TRL_I	1	TRL XQ35 HYDRAULIC BRAKE
BALL50_I	1	2" BALL HITCH
STDENC_I	1	STANDARD ENCLOSURE
STDRAD_I	1	STANDARD RADIATOR
STDMUFF_I	1	STANDARD MUFFLER
NOGEM00_I	1	NO CLEAN EMISSIONS MODULE
STDAVR_I	1	AUTOMATIC VOLTAGE REGULATOR
AH1H_I	1	ANTI CONDENSATION HEATER
STDBAT_I	1	STANDARD BATTERY
PBC10UL_I	1	BATTERY CHARGER UL10A 120VAC
WHH1_I	1	ENGINE BLOCK HEATER
BUSCON1_I	1	STD CONNECTION GROUP
3PHNEMA_I	1	3 PHASE NEMA LOCK RECEPTACLE
NOPET00_I	1	NO PUMP ELECTRONIC TANK UNIT
TRSGENT_I	1	PGS TEST REPORT

Accessories and/or modifications

- Initial fill of coolant and lube oil
- (1 set) Operation & Maintenance manuals (electronic copy) * **(additional sets, at additional cost)**
- Factory standard warranty - 2 years from startup service
- Extended Service Coverage - 5 year / 2500 hour, Platinum w/ \$0 deductible from startup service

QPS field work

- Delivery to jobsite (**offload/crane service by others**)
- CSA (Preventative Maintenance) – # year, Annual / Semi-Annual / Quarterly Visits
- Basic Demonstration – **[included at no charge, if provided during the time of startup].**
- ** See adder price below for a separate training session**

Not included

- Sales tax
- Air, building or construct permits
- Offloading/crane service of equipment off delivery truck
- Installation, wiring, piping, plumbing or anchoring of equipment
- Diesel fuel, initial fill or for testing

Optional adders

- * = Shipped loose to jobsite, installed on site by others.
- ^ = Installed, assembled or prepared by QPS or 3rd party.
- + = Pre-assembled, removed for shipping, re-installed on site by others.
- ~ = Service truck must be able to park within 25'ft horizontally & vertically of unit, over 25'ft at additional cost, based on T&M and billed direct from QPS Service department.

Availability:

Submittals: Estimated (2-6 Weeks) on receipt and approval of purchase order. (1 electronic copy) Submittal approval is expected not exceed 60 days, additional time may impacted delivery schedule and equipment price increases.

Equipment: Estimated (9-12 Weeks) for factory build time after submittal approval. Subject to change at time of order.

Modifications: Estimated (Additional time TBD) additional time will vary depending on 3rd party or Quinn shop schedule and scope of work.

Not included: Unforeseen factory delays, transit time from factory or vendor and/or delays due to project site readiness.

**** Equipment prices and lead times are subject to change without notice.****



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NOTES, EXCEPTIONS, CLARIFICATION

- Quinn Power Systems is not a general, electrical or installing contractor. Providing equipment and services as described above only.
- The equipment offered in this proposal is CAT standard product (with modifications) as listed above based on 1) verbal or written request. No specifications or drawings provided for review. . No other written details, plans, specification sections, contract documents, general or supplementary conditions apply to this quotation. Equipment is as stated above, call for any revisions to equipment quoted. Exception taken to anything not included in this proposal and as listed below.
- Quotation does not include any Sales Tax, Air District or Building Permits, Off-loading or Crane Services, Installation or Anchoring, Initial Fuel fill or Test fuel, Major Testing unless otherwise specified in the Bill of Materials.
- Depending on final height of installed generator set, a working platform may be required to access the control panel and maintenance doors. Platforms are not included in this proposal, unless stated above. Call for revised quotation if required.
- Startup/Commissioning Services are provided for CAT factory/QPS supplied equipment only. Scope of work for Startup Services available upon request. Out of Scope services are billed on a Time & Material basis in the field at purchaser's expense. QPS standard labor rates apply. Technician services are provided during normal business hours Monday through Friday.
- Exception taken to any NETA 3rd party or independent testing requirements. Any and all testing as listed above to be provided by QPS technicians.
- **Note** Valid Permit to operate and DMV permits by others.

EMISSIONS NOTE

- "California Air Resources Board (CARB) has approved alignment with the federal New Source Performance Standards (NSPS). Such alignment allows for emergency standby engines to be exempt from Tier 4 emissions standards; however, local air districts can require more stringent emissions control. The prospective buyer of the equipment quoted above is hereby notified the NSPS exemption does not apply to non-emergency standby engines (e.g. prime power applications such as peak shaving, parallel operation with the grid, or storm avoidance), or portable engines, even if used for emergency standby. Consult the local air district for permitting requirements and required emissions controls. Presently, South Coast Air Quality Management District (SCAQMD) Rule 1470 requires the use of a particulate filter if an engine is located within 100 meters of a school, and may require either a diesel particulate filter or an oxidation catalyst, depending upon engine size, if the installation is within 50 meters of a sensitive receptor. Particulate filters may also be required for Title V and major polluting facilities. For emissions requirements specific to the project for which this engine is being quoted, please contact SCAQMD at 909-396-2000. Unless otherwise listed above a DPF is not included in this proposal, please call for quotation if a DPF is required for this project."
- Caterpillar engines require a minimum of 30% load to prevent engine damage due to wet-stacking. Depending upon the permit and site specific conditions, SCAQMD emergency engine permits will only allow between 20 and 50 hours of runtime per year for non-emergency applications such as testing and exercising. Passive Diesel Particulate Filter systems depend on generator loading of a minimum of 50-60% to achieve minimum exhaust temperature threshold to keep soot regeneration and the filter backpressure within acceptable levels. If the engine will be operated consistently at low loads/low exhaust temperatures, the customer should make provisions to add load via facility operations or a load bank. Active Diesel Particulate Filter systems require no external load in order to regenerate. If listed above, Passive DPF option pricing, does not include a load bank or a load bank circuit breaker. If a load bank is needed for this project, please call for quotation.

TERMS AND CONDITIONS

1. Acceptance of Order.

This Quotation is for Buyer's information only and is not a valid offer to sell unless signed by an authorized representative of Seller in the place provided on the face of this Quotation. Prices, terms and conditions in an order from Buyer, which are inconsistent with the prices, terms and conditions of this Quotation, will be rejected by Seller, and are of no force and effect unless accepted in writing by Seller. Prices, delivery schedules and the scope of work on this Quotation are subject to change at Seller's discretion.

2. Liability.

Seller's liability on any claim of any kind, including claims for negligence, or for any loss or damage arising out of or connected with the manufacture, sale, delivery, installation, resale or use of any products covered by or furnished under any order connected with this Quotation shall be limited to those claims arising solely from the acts of Seller and Seller shall in no way be liable for any special, indirect, incidental or consequential damages. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use, revenue, reputation and data, costs incurred, including without limitation, for capital, fuel, power and loss or damage to property or equipment. Buyer expressly acknowledges and agrees that Seller has set its prices in reliance upon the limitations of liability and other terms and conditions specified herein, which allocate the risk between Seller and Buyer and form a basis of this bargain between the parties. Any claims against Seller for shortages in shipments shall be made in writing to Seller within fifteen (15) days of receipt of shipment by Buyer. Unless otherwise provided for in writing, Seller's responsibility for shipment ceases upon delivery to carrier, and any claims for shortage, delays or damage occurring thereafter shall be made direct to carrier by Buyer. Seller shall not be liable for any delays in delivery attributable to strikes, labor disputes, lockouts, accidents, fires, delays in manufacture or in transportation, delays in delivery of component materials, floods, severe weather, or Acts of God, embargoes, governmental actions, or any other cause beyond the reasonable control of Seller. Seller shall not indemnify nor be liable to Buyer, Buyer's assigns, successors, purchasers, lessees or licensees, or to any person or entity for any claims, losses, expenses or judgments arising out of or resulting in any way from the product or integration of compatibility of the product with any other components, processes, facilities or equipment that does not comply with the equipment manufacturer(s)'s recommendations.

3. Shipments.

Unless otherwise specified, all risk of loss from the goods shall shift to Buyer at such time as the goods are delivered to a carrier for shipment to Buyer. Unless otherwise specified, shipment dates are approximate and all quoted prices exclude shipping costs. Shipment of goods under any order accepted by Seller shall be subject to the approval by Seller of Buyer's financial condition at the time of shipment. Whether or not terms of payment are specified elsewhere, Seller may, at its option, condition shipments under any order accepted by Seller upon receipt of satisfactory security or of cash prior to shipment. If, at Buyer's request, shipment of goods under any order accepted by Seller is delayed more than thirty (30) days after the shipment date specified in the order, or the date the goods are ready for shipment, whichever is later, Seller will require immediate payment in full and/or assess additional charges for the expenses incident to such delay.

4. Termination.

In the absence of a written agreement between Buyer and Seller expressing different terms and conditions as to termination, any order accepted by Seller may be terminated prior to completion by Buyer only upon written notice to Seller and payment of Seller's termination charges. If notice of termination is received by Seller after Seller has committed to buy the principal components for any order, termination charges



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shall include all direct and indirect costs incurred by Seller and the total profit anticipated by Seller. Additionally, Buyer's instruction to Seller to stop work for thirty (30) days during the time specified for performance in any order may be construed by Seller as the equivalent of written notice of termination from Buyer and previous stipulations will be in effect.

5. Taxes.

Unless expressly stated, Seller's prices do not include sales, use, excise or similar taxes, which Seller may be required to pay in filling Buyer's order. The amount of any applicable tax shall be paid by Buyer as an additional charge unless specifically included in any order accepted by Seller, or in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.

6. Patents.

Seller shall, at its own expense, defend and save Buyer harmless from the expenses and consequences of any suit or procedure brought against Buyer, based on a claim that the use or sale of goods specified in any order accepted by Seller constitutes an infringement of any United States letters of patent in existence on the date of any such order; provided Buyer promptly notifies Seller in writing of such claim and gives the necessary authorization, information and assistance for the defense of such a claim.

7. Changes.

Seller, and Seller's suppliers, may, at any time, without notice to Buyer, make changes (whether in design, materials, the addition of improvements, or otherwise) in any goods specified in any order accepted by Seller without incurring any obligation of any kind as a result thereof, but only to the extent that such change does not cause the goods specified to fail to meet Buyer's requirements. Buyer may, in its order, provide for changes in its requirements with provision for a corresponding equitable change in the price, if any; but in no instance shall Buyer make changes, which are substantially different from the scope of the original order accepted by Seller.

8. Export Sales.

In the event the goods and services specified in any order accepted by Seller are for export, the Buyer shall be responsible for securing export, import and other licenses or authorizations as may be required. The conditions specified in this Section apply to all export transactions. This transaction is only for the sale of the equipment requested and detailed in this Quotation. Not included is any startup assistance, field-testing, training or any other services that might be required on site. Also not included is any installation, installation audits, sea trials (if applicable), or installation materials. To ensure proper application, installation, and warranty integrity, Buyer is encouraged to contact the applicable Caterpillar Dealer for these services. The costs of these services are not included in the sale price nor will Seller be responsible for any such related costs.

9. Permits for Equipment Design, Installation and Operation.

As a supplier of equipment, disclaims responsibility for any and all permits or licenses necessary to design, install and operate the equipment due to zoning, air quality, environmental, safety, building or construction codes or use permits pertaining to Buyer's particular application of such equipment or any similar type of permit. Special attention should be given to the requirements of local air district rules and California Air Resources Board (CARB) regulations pertaining to permit requirements. Seller is quoting on equipment based on the specifications set forth in this Quotation. If additional equipment or engine modifications are required beyond the specifications, such as additional equipment required for compliance by a local air district or CARB, those items are not included and are the responsibility of Buyer. For example, South Coast AQMD (SCAQMD) Rule 1470 may require controls and limits on particulate matter, especially when the engine installation is within 100-meters from a school, or within 50 meters of a sensitive receptor (defined in Rule 1470). Ultra low sulfur fuel is required for particulate filters. CARB Diesel Fuel, or other CARB-approved alternative fuel, is also required for compression ignition (CI) engines operated in California. When indicated in the bill of materials, the proposed equipment may be SCAQMD pre-approved as Certified Equipment. This certification does not eliminate the permit process or responsibility of others to obtain a permit. Procurement of certified equipment assures permitability, reduces the permit processing fees and reduces the time necessary to obtain the permit through SCAQMD.

10. Start-up, Commissioning and Operating Requirements.

Equipment provided in this Quotation may require start-up and commissioning, including inspection(s), to ensure the equipment is installed in accordance with manufacturer(s)'s recommendations and specifications. If Seller has commissioned the equipment, Buyer agrees not to modify the design or components of the installation such that the modifications would violate any legal requirements of the installation, or would cause the installation to deviate from manufacturer(s)'s recommendations and specifications. Buyer acknowledges and agrees that, with respect to products sold to Buyer in connection with this Quotation, Buyer shall have the sole responsibility to ensure the products are properly installed, operated and maintained in accordance with the manufacturer(s)'s recommendations and specifications, and to determine and comply with all applicable Federal, state, local and regulated use restrictions and requirements, including, without limitation, the continuing responsibility to ensure that the use of product is in full compliance with all applicable environmental laws and regulations. Failure to install, operate and maintain the products in accordance with the manufacturer(s)'s recommendations and specifications will invalidate any applicable manufacturer's warranty.

11. Additional material.

Only those items listed in this Quotation are included with any order. For example, unless specifically identified in this Quotation, the following items are not included with any purchased equipment: any exhaust or fuel piping, main fuel tank, fuel, duct work, special tools, insulation, wiring, cable, bus duct, concrete, anchor bolts, rigging or any material or labor incidental to the installation itself. Buyer specifically assumes responsibility for the provision of any such items if not specifically identified in the Quotation.

12. Hours of services.

When included, delivery, startup assistance, field testing, training or any other services required on site will be provided during the normal weekday working hours of 7:00 am to 4:30 pm. Delivery or services occurring at any other time, weekends or holidays is subject to premium charges.

13. Warranty.

The equipment manufacturer's warranty is the only warranty provided in connection with the equipment described in this Quotation. Buyer is responsible for operating and maintaining the equipment as specified by the manufacturer. The manufacturer's warranties are exclusive and in lieu of all other warranties either oral or written, express or implied, including but not limited to any warranty of merchantability or fitness for a particular purpose. Seller is not a manufacturer and makes no warranty and shall not, under any circumstances, be liable for any indirect or special, incidental or consequential damages including but not limited to loss of production, loss of profit, loss of use or business interruption, or any other economic loss, whether arising from contract, tort, strict liability or any other theory of law. Buyer, Buyer's assigns, successors, purchasers or any other person designated to operate the equipment as the end user, is responsible for operating the equipment in accordance with manufacturer(s)'s recommendations and specifications. Failure to perform all scheduled maintenance may result in damage to the equipment, and may be grounds to deny warranty coverage.

14. Terms.

Terms of payment are due upon receipt of invoice with no deductions of any kind for retentions, setoffs, discounts or other similar items. A finance charge of 1.5% per month (not to exceed the maximum allowed by law) will be charged on all past due invoices. When necessary Seller will file a California "Preliminary 20-day notice" pursuant to Section 3097 of the California Civil Code.

15. Cost additives.

A: Unit Cost.

Quotation prices are valid for 30 days only and are based on current market prices as of date of quotation. The Seller reserves the right to adjust the final invoice with a price escalation up to 6% due to 1) purchase orders being received after expiration of quotation, 2) fluctuations in raw materials market prices at time of order, 3) labor rate increases at time of scheduled field services, 4) delays in submittal approvals and/or release of equipment or 5) additional items or services provided that were not included as part of the original quotation. Since final invoicing can and may take place up to a year or more from original quotation date.

B: Delays.

If delivery is delayed by customer Buyer beyond original shipment date, purchase price is due 30 days after original shipment date and a storage and handling charge will be applied and is due each month until delivery. Finance charge of 1.5% per month (not to exceed the maximum allowed by law) is applicable on any amounts arising hereunder or in connection herewith that are not paid when due.

C: Start up.

If construction of the facility or other delays are experienced or expected, which prohibit the initial startup of the equipment beyond one year from delivery additional costs may be imposed including, but not be limited to, long term storage preparation, inspection charges, parts, service, etc.

16. Lead Times.

Lead times are based on manufactures estimated timetables. Project completion time may vary due to delays in receipt of purchase orders, submittal approval, release of equipment, manufactures unforeseen delays in production or holiday schedules. Project completion time frame cannot be guaranteed. Back orders will be processed as soon as available. Part number changes may be made to provide latest improved interchangeable items of equipment.

17. Governing Law and Venue.

The rights and obligations of the parties with respect to the transactions contemplated by this Quotation shall be governed in all respects by the laws of the State of California. The parties hereto irrevocably agree that the exclusive venue for any litigation arising in connection with the transactions specified in this Quotation shall be in the courts located in the County of Los Angeles, California.

18. Attorneys' Fees and Costs.

In the event of any legal action, controversy, claim, or dispute between the parties involving the transactions contemplated by this Quotation, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees, and costs.

19. Additional Conditions.

Buyer shall furnish to Seller, at no cost, suitable working space, storage space, adequate heat, telephone, light, ventilation, regulated electric power and outlets for testing purposes (if applicable). The facilities shall be within a reasonable distance from where any applicable services are to be provided. Seller and its representatives shall have full and free access to the equipment in order to provide any applicable services. Buyer shall provide the means to shut-off and secure electric power to the equipment and provide safe working conditions. Buyer shall not require Seller or its employees, as a condition to site access or otherwise, to further agree or enter into any agreement, which waives, releases, indemnifies or otherwise limits or expands any rights or obligation whatsoever. Any such agreements shall be null and void. Seller is under no obligation to remove or dispose of parts or equipment unless specifically agreed upon in Seller's scope of work. Seller-removed parts become the property of Seller. Seller must not perform any electrical



QUOTATION

NO. 220259SW

3500 Shepherd Street, City of Industry, California 90601
Box 226789, Los Angeles, California 90022-0744
(562) 463-6000 Fax: (562) 463-7156

Date: June 21, 2024

Page: 5 of 5

power switching unless specifically requested by Buyer, under the supervision of Buyer, and subject to procedures jointly agreed to in advance. Notwithstanding Buyer's request, Seller may refuse to perform power switching, if in the opinion of Seller, such action would be unsafe. IN THE EVENT THAT SELLER PERFORMS POWER SWITCHING, TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER SHALL INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY AND ALL LIABILITY, ACTIONS, SUITS, CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES ("LOSSES") ARISING OUT OF OR IN ANY WAY CONNECTED WITH OR RESULTING FROM SELLER'S PERFORMANCE OF POWER SWITCHING, REGARDLESS OF WHETHER THE LOSSES RESULT FROM SELLER'S NEGLIGENCE (WHETHER ACTION OR PASSIVE, AND WHETHER SOLE, JOINT, OR CONCURRENT), AND EVEN THOUGH CAUSED IN WHOLE OR IN PART BY A PRE-EXISTING DEFECT, STRICT LIABILITY, OR OTHER LEGAL FAULT OF SELLER. THIS INDEMNITY SHALL APPLY TO ANY ACTS OR OMISSIONS OR NEGLIGENT CONDUCT, WHETHER ACTIVE OR PASSIVE, ON THE PART OF EITHER SELLER OR BUYER. If OSHA or any other federal, state or local government, trade association, or contractual regulations or standards require a "safety person" to be on site during the performance of services, or in the event of a trade union jurisdictional dispute where trade union represented personnel are required to assist or stand by during the performance of services by Seller, Buyer shall be responsible for providing for and paying for any charge or wages for such person(s), as applicable. Buyer shall immediately inform Seller, in writing, at the time of order placement and thereafter, of any unsafe or hazardous substance or condition at the site, including, but not limited to, the presence of asbestos or asbestos-containing materials, and shall provide Seller with any applicable Material Data Safety Sheets regarding the same. Any losses, costs, damages, claims and expenses incurred by Seller as a result of Buyer's failure to advise Seller shall be borne by Buyer. Seller, in its sole discretion and without cost or penalty, reserves the right to cancel its performance under this Agreement or any order immediately upon written notice to Buyer following Seller's discovery of unsafe or hazardous site substance or condition or any other circumstance altering Seller performance of Services. Buyer shall appoint a representative familiar with the site and the nature of the Services to be performed by Seller to be accessible at all times that Seller personnel are at the site. Seller shall not be liable for any expenses incurred by Buyer in removing, replacing or refurbishing any Buyer equipment or any part of Buyer's building structure that restricts Seller's access. Buyer's personnel shall cooperate with and provide all necessary assistance to Seller. Seller shall not be liable or responsible for any work performed by Buyer.

ACCEPTED BY:

By: _____

Company: _____

Date: _____

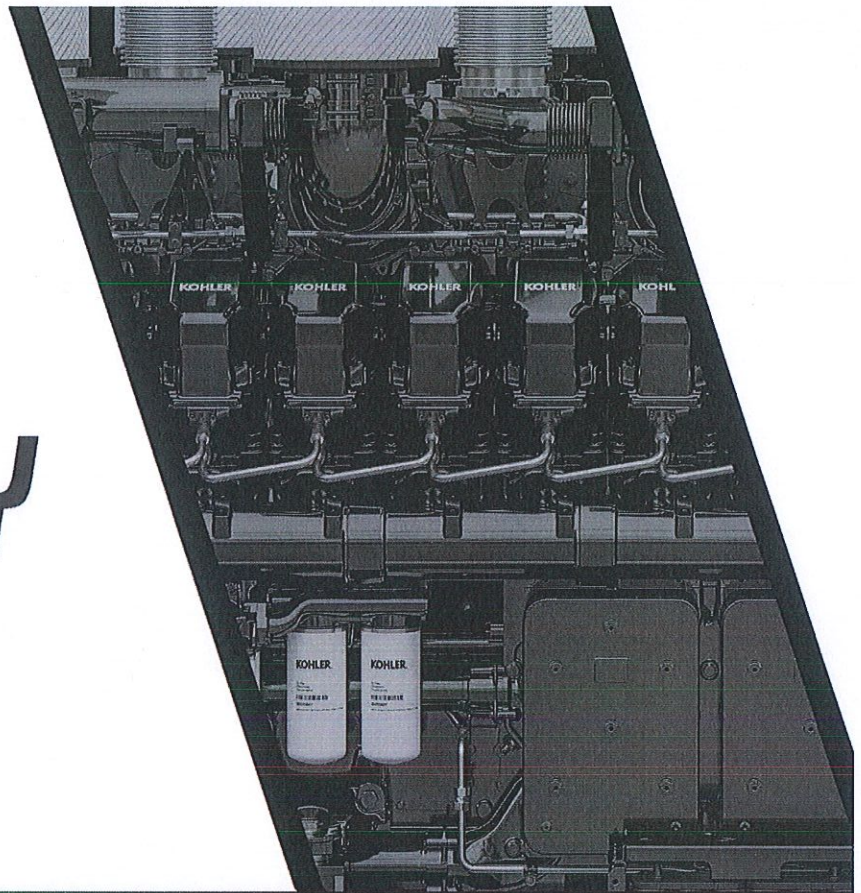
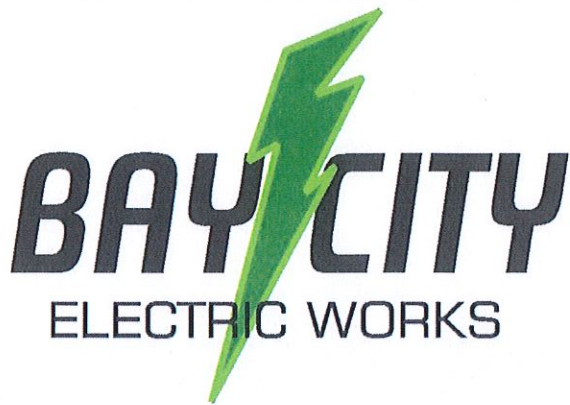
P.O. #: _____

SUBMITTED BY:

By: **Cameron Early**

Quinn Power Systems

Phone: **(949) 395 1127**



Power Systems Quotation

**Job Name: Midway City Sanitary District
Portable**

Job #: B01546

Date: 5/17/2024

Sales Executive: Kris Lintz
Mobile: 619.496.7806
Email: klintz@bcew.com

Inside Sales: Jaymee Hallmark
Mobile: 626.361.3823
Email: jhallmark@bcew.com

Bay City Electric Works is pleased to offer the following generator system for your use on the referenced project. This proposal is in accordance with your verbal request. No written details, plans, or specifications were provided.

Major system components include:

One (1) PG70WCU-3A-T4F Bobcat towable diesel-powered generator set, rated for prime duty at multiple voltages and phases via selector switch, 60 Hertz, 1800 RPM, outdoor in weatherproof sound attenuated enclosure with 172 gallon subbase diesel fuel tank rated for 50 hours at 75% load.

System Price: FOB Factory with freight allowed to your jobsite (or office) if accessible by a semi. All deliveries are drop-shipped. We cannot be responsible for limited access at site. We are bidding to the limited information on the contract documents. Additional charges may be required at time of delivery for surveying or re-consigning. Offloading and placement of equipment is excluded. All deliveries are Monday through Friday 7:00 a.m. to 4:00 p.m. Deliveries outside the normal business hours will be invoiced as necessary.

System price is\$71,900 (Tax Not Included)

Emissions Permit is not included. To be provided by others. Contact ProActive Consulting Group at 714-893-7900 for Permit application processing information and pricing.

Quotation Notes:

1. Applicable taxes are not included.
2. 3% fee will be added to any payments made by credit card.
3. The kW output listed on this quote letter is at **rated conditions** unless stated otherwise. Actual output may vary by site conditions including temperature and elevation. Please check with your Salesperson for any potential deration due to site conditions or specifications.
4. Air quality permit fees and compliance are excluded. Local air quality authorities may require a health risk study or environmental quality assessment. The cost for a health risk study is excluded.
5. Any additional equipment required because of the local Air Quality permit application will be quoted separately. Air quality requirements are ever-changing and vary based on various factors including jobsite location and proximity to adjacent structures. BCEW is quoting the latest Tier compliant generators to meet State and Federal regulations unless otherwise noted. It is the customer or end user's responsibility to obtain all permits related to the installation and operation of the equipment quoted herein. *All permits must be obtained prior to installation of the equipment.*
Many air jurisdictions are discussing changing the rules regarding emissions, tier levels, aftertreatment, etc. We are quoting based on the specifications and our current understanding of the application of the air jurisdiction's rules at the time of quote.
6. Generators installed on or after January 1st, 2013 in SCAQMD's jurisdiction will require the installation of a Particulate Matter Filter if they are within 50 meters of a sensitive receptor and over 175bhp. If the generator is within 50 meters of a sensitive receptor and there is not a price

for a PM Filter on this quote please contact your salesperson immediately. A sensitive receptor is defined as, "any residence including private homes, condominiums, apartments, and living quarters, schools as defined in (5), preschools, daycare centers, and health facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing."

7. "Engines located on or near school grounds: New Stationary emergency standby diesel-fueled engines (>50 bhp) located on school grounds or 100m or less from a school which exists at the date the application for Permit to Construct or Permit to Operate is deemed complete, whichever is earlier shall emit diesel PM at a rate less than or equal to 0.01 g/bhp-hr" which means that a PM Filter will be necessary. If the generator is within 100 meters of a Kindergarden-12th grade school and there is not a price for a PM Filter on this quote please contact your salesperson immediately.
8. Minimum engine loading will be required for proper operation of Tier 4 systems. Underloading may cause engine damage. Proper loading and operation is the responsibility of the end user. Quarterly maintenance is always recommended for all generators and strongly advised when aftertreatment is utilized. Please review the Installation Manual and the Operation and Maintenance Manuals for the Tier 4 system and the generator to ensure proper performance and avoid issues.
9. Some local Authority Having Jurisdiction (AHJ's) will require field inspections, additional testing, interconnection with a Fire Alarm system or Building Management System (BMS), or functional verification for particular components/alarms/monitoring. We are bidding to the plans and specifications provided and cannot cover all potential testing that may be requested by AHJ's. We are bidding to a design spec for a project awarded based on pricing. It is the responsibility of the Consulting/Specifying Engineer to provide the required information to bid the project properly. Testing/inspection often requires attendance by a BCEW technician but in certain instances it may. Please contact us with the specific requirements in writing that apply to your project (from your approved fire permit, County HazMat permit or your inspection corrections) once you have them and our Service Department can quote it accordingly. Tank pressure tests are required in very few areas. These are not included and will be quoted on an as required basis unless they are listed in the specification and specifically listed on our quote.
10. All supplied fuel tanks will be certified UL142 unless specifically noted UL2085. UL142 tanks are NOT fire-rated or ballistic-rated.
11. Fuel, initial fuel fill and fuel for testing is excluded.
12. Special lugs are not included unless specifically identified in this proposal. You will receive the standard lugs for the provided breakers.
13. Prices quoted are not applicable for work subject to any state or federal prevailing wage requirements. We are an equipment supplier, not a subcontractor. Please contact your sales executive if prevailing wage still applies.
14. **Quotation is valid for 30 Days.** This quote may be modified and/or rescinded by BCEW at its sole discretion unless the quote is accepted before the expiration date.
15. We reserve the right to adjust pricing if this quote is affected by new tariffs or fees are imposed on certain materials and/or components after the submittal of this proposal.

Terms and Conditions:

1. Terms of payment are Net 30; invoicing schedule as follows:
2. Materials will be invoiced on the date of shipment from the factory.
3. Acceptance of purchase order is based on materials quoted.

4. 1.5% per month will be assessed on unpaid balances if not paid within terms.
5. Terms for retention and liquidated damages will not be accepted.
6. The following charges will be assessed for cancellation of any order:
 - a. 10% of total order price if cancelled after we have provided submittals but prior to release for manufacture.
 - b. 25% of total order price if cancelled after release for manufacture, or if the equipment is already on order with the factory (Kohler paralleling switchgear is on order as soon as submittals are requested).
 - c. 50% of total order price if cancelled less than 60 days prior to scheduled shipment date.
 - d. 100% of total order price if cancelled after the equipment ships from the manufacturing plant.

Lead Times:

1. Most submittals are available can typically be provided within 10-15 business days from receipt of a written Hold for Submittal Approval (HFSA) Purchase Order.
2. Current factory lead time for the generator is 1-2 weeks from written release for production. Lead times are estimated at time of quote and may vary at time of order.

We appreciate this opportunity to offer our equipment for your consideration. Please call if you have any questions or if I can help in any way. Bay City Electric Works wants to be your Generator System Supplier.

The authorized purchaser identified below accepts this proposal and agrees, upon acceptance of this contract by Bay City Electric Works, to purchase and pay for the equipment, accessories, and service in accordance with the terms and conditions set forth above.

Company name: _____

Purchaser name and title (please print): _____

Purchaser signature: _____

Date: _____ Purchase Order #: _____

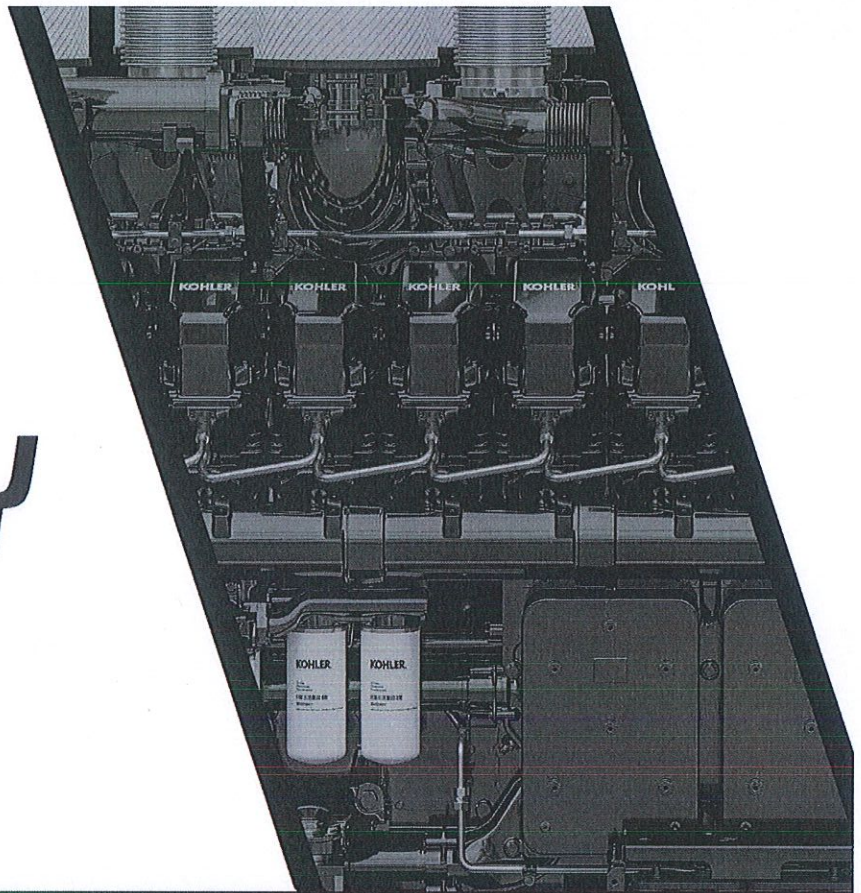
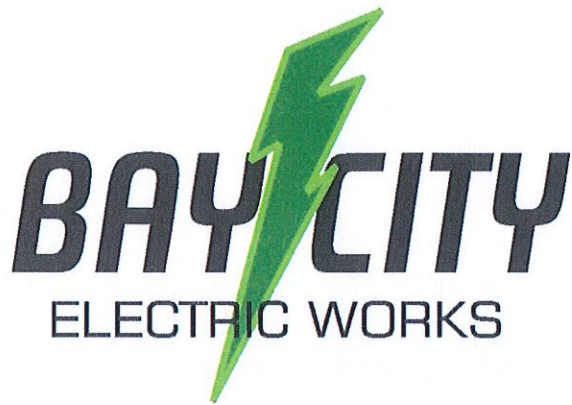
Delivery Date Requested by Purchaser: _____

If a delivery date is not provided, BCEW will postpone the release of product orders with its respective vendors until the date is provided in writing. It is the sole responsibility of the Purchaser to provide a delivery date within the current factory lead times.

PLEASE INCLUDE PRELIM INFORMATION WHEN ISSUING A PURCHASE ORDER.

GENERATOR SALES - SERVICE - PARTS - RENTALS

To learn more, visit our website at www.BCEW.com



Power Systems Quotation

**Job Name: Midway City Sanitary District
Portable**

Job #: B01546

Date: 5/16/2024

Sales Executive: Kris Lintz
Mobile: 619.496.7806
Email: klintz@bcew.com

Inside Sales: Jaymee Hallmark
Mobile: 626.361.3823
Email: jhallmark@bcew.com

Bay City Electric Works is pleased to offer the following generator system for your use on the referenced project. This proposal is in accordance with your verbal request. No written details, plans, or specifications were provided.

Major system components include:

One (1) PG100WCU-3A-T4F Bobcat towable diesel-powered generator set, rated for prime duty at multiple voltages and phases via selector switch, 60 Hertz, 1800 RPM, outdoor in weatherproof sound attenuated enclosure with 172 gallon subbase diesel fuel tank rated for 37 hours at 75% load.

System Price: FOB Factory with freight allowed to your jobsite (or office) if accessible by a semi. All deliveries are drop-shipped. We cannot be responsible for limited access at site. We are bidding to the limited information on the contract documents. Additional charges may be required at time of delivery for surveying or re-consigning. Offloading and placement of equipment is excluded. All deliveries are Monday through Friday 7:00 a.m. to 4:00 p.m. Deliveries outside the normal business hours will be invoiced as necessary.

System price is\$82,500.00 (Tax Not Included)

Emissions Permit is not included. To be provided by others. Contact ProActive Consulting Group at 714-893-7900 for Permit application processing information and pricing.

Quotation Notes:

1. Applicable taxes are not included.
2. 3% fee will be added to any payments made by credit card.
3. The kW output listed on this quote letter is at **rated conditions** unless stated otherwise. Actual output may vary by site conditions including temperature and elevation. Please check with your Salesperson for any potential deration due to site conditions or specifications.
4. Air quality permit fees and compliance are excluded. Local air quality authorities may require a health risk study or environmental quality assessment. The cost for a health risk study is excluded.
5. Any additional equipment required because of the local Air Quality permit application will be quoted separately. Air quality requirements are ever-changing and vary based on various factors including jobsite location and proximity to adjacent structures. BCEW is quoting the latest Tier compliant generators to meet State and Federal regulations unless otherwise noted. It is the customer or end user's responsibility to obtain all permits related to the installation and operation of the equipment quoted herein. All permits must be obtained prior to installation of the equipment.
Many air jurisdictions are discussing changing the rules regarding emissions, tier levels, aftertreatment, etc. We are quoting based on the specifications and our current understanding of the application of the air jurisdiction's rules at the time of quote.
6. Generators installed on or after January 1st, 2013 in SCAQMD's jurisdiction will require the installation of a Particulate Matter Filter if they are within 50 meters of a sensitive receptor and over 175bhp. If the generator is within 50 meters of a sensitive receptor and there is not a price

for a PM Filter on this quote please contact your salesperson immediately. A sensitive receptor is defined as, "any residence including private homes, condominiums, apartments, and living quarters, schools as defined in (5), preschools, daycare centers, and health facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing."

7. "Engines located on or near school grounds: New Stationary emergency standby diesel-fueled engines (>50 bhp) located on school grounds or 100m or less from a school which exists at the date the application for Permit to Construct or Permit to Operate is deemed complete, whichever is earlier shall emit diesel PM at a rate less than or equal to 0.01 g/bhp-hr" which means that a PM Filter will be necessary. If the generator is within 100 meters of a Kindergarden-12th grade school and there is not a price for a PM Filter on this quote please contact your salesperson immediately.
8. Minimum engine loading will be required for proper operation of Tier 4 systems. Underloading may cause engine damage. Proper loading and operation is the responsibility of the end user. Quarterly maintenance is always recommended for all generators and strongly advised when aftertreatment is utilized. Please review the Installation Manual and the Operation and Maintenance Manuals for the Tier 4 system and the generator to ensure proper performance and avoid issues.
9. Some local Authority Having Jurisdiction (AHJ's) will require field inspections, additional testing, interconnection with a Fire Alarm system or Building Management System (BMS), or functional verification for particular components/alarms/monitoring. We are bidding to the plans and specifications provided and cannot cover all potential testing that may be requested by AHJ's. We are bidding to a design spec for a project awarded based on pricing. It is the responsibility of the Consulting/Specifying Engineer to provide the required information to bid the project properly. Testing/inspection often requires attendance by a BCEW technician but in certain instances it may. Please contact us with the specific requirements in writing that apply to your project (from your approved fire permit, County HazMat permit or your inspection corrections) once you have them and our Service Department can quote it accordingly. Tank pressure tests are required in very few areas. These are not included and will be quoted on an as required basis unless they are listed in the specification and specifically listed on our quote.
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13. Prices quoted are not applicable for work subject to any state or federal prevailing wage requirements. We are an equipment supplier, not a subcontractor. Please contact your sales executive if prevailing wage still applies.
14. **Quotation is valid for 30 Days.** This quote may be modified and/or rescinded by BCEW at its sole discretion unless the quote is accepted before the expiration date.
15. We reserve the right to adjust pricing if this quote is affected by new tariffs or fees are imposed on certain materials and/or components after the submittal of this proposal.

Terms and Conditions:

1. Terms of payment are Net 30; invoicing schedule as follows:
2. Materials will be invoiced on the date of shipment from the factory.
3. Acceptance of purchase order is based on materials quoted.

4. 1.5% per month will be assessed on unpaid balances if not paid within terms.
5. Terms for retention and liquidated damages will not be accepted.
6. The following charges will be assessed for cancellation of any order:
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 - b. 25% of total order price if cancelled after release for manufacture, or if the equipment is already on order with the factory (Kohler paralleling switchgear is on order as soon as submittals are requested).
 - c. 50% of total order price if cancelled less than 60 days prior to scheduled shipment date.
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2. Current factory lead time for the generator is 1-2 weeks from written release for production. Lead times are estimated at time of quote and may vary at time of order.

We appreciate this opportunity to offer our equipment for your consideration. Please call if you have any questions or if I can help in any way. Bay City Electric Works wants to be your Generator System Supplier.

The authorized purchaser identified below accepts this proposal and agrees, upon acceptance of this contract by Bay City Electric Works, to purchase and pay for the equipment, accessories, and service in accordance with the terms and conditions set forth above.

Company name: _____

Purchaser name and title (please print): _____

Purchaser signature: _____

Date: _____ Purchase Order #: _____

Delivery Date Requested by Purchaser: _____

If a delivery date is not provided, BCEW will postpone the release of product orders with its respective vendors until the date is provided in writing. It is the sole responsibility of the Purchaser to provide a delivery date within the current factory lead times.

PLEASE INCLUDE PRELIM INFORMATION WHEN ISSUING A PURCHASE ORDER.

GENERATOR SALES - SERVICE - PARTS - RENTALS

To learn more, visit our website at www.BCEW.com

TERMS AND CONDITIONS – EQUIPMENT SALE

1. **General:** The Terms and Conditions of Sale outlined herein shall apply to the sale by Volvo Road Machinery, Inc. d/b/a Volvo Construction Equipment Services (hereinafter referred to as Company) of product equipment and parts relating thereto (hereinafter referred to as Equipment). Unless prior written agreement is reached, it shall be understood that the Company's proceeding with any work shall be in accordance with the terms and conditions outlined herein. The Company hereby gives notice of its objection to any additional or different terms included in any purchase order or other form submitted by the Purchaser. Such additional or different terms shall not be included in this contract.

The Company will comply with applicable laws and regulations as they may apply to the manufacture of the Equipment. Compliance with any local governmental laws or regulations relating to the location, use or operation of the Equipment, or its use in conjunction with other equipment, shall be the sole responsibility of the Purchaser.

2. **Title and Risk of Loss:** Title and risk of loss or damage to the Equipment shall pass to the Purchaser upon tender of delivery F.O.B. manufacturing facility unless otherwise agreed upon by the parties, except that a security interest in the Equipment shall remain in the Company, regardless of mode of attachment to realty or other property, until full payment has been made therefor. Purchaser agrees upon request to all things and acts necessary to perfect and maintain such security interest and shall protect Company's interest by adequately insuring the Equipment against loss or damage from any cause wherein the Company shall be named as an additional insured.

3. **Assignment:** Neither party shall assign or transfer this contract without the prior written consent of the other party. The Company however shall be permitted to assign or transfer, without the prior written consent of the Purchaser, the Company's right to receive all or any portion of the payment due from the Purchaser under this contract.

4. **Delivery and Delays:** Delivery dates shall be interpreted as estimated and in no event shall dates be construed as falling within the meaning of "time is of the essence".

The Company shall not be liable for any loss or delay due to war, riots, fire, flood, strikes, or other labor difficulty, acts of civil or military authority including governmental laws, order, priorities or regulations, acts of the Purchaser, embargo, car shortage, damage or delay in transportation, inability to obtain necessary materials from usual sources, faulty forgoings or castings, or other causes beyond the reasonable control of the Company. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be adjusted to reflect the actual length of time lost by reason of such delay. The Purchaser's receipt of Equipment shall constitute a waiver of any claims for delay.

5. **Taxes:** The price does not include any present or future Federal, State, or local property, license, privilege, sale, use, excise, gross receipts or other like taxes or assessments which may be applicable to, measured by, or imposed upon or result from this transaction, or any services performed in connection therewith. Such taxes will be itemized separately to Purchaser, who shall make prompt payment to the Company. The Company will accept a valid exemption certificate from Purchaser, if applicable. If such exemption certificate is not recognized by the government taxing authority involved, Purchaser agrees to promptly reimburse the Company for any taxes covered by such exemption certificate which the Company is required to pay.

6. **Set Offs:** Neither Purchaser nor any affiliated company or assignee shall have the right to claim compensation or to set off against any amounts which become payable to the Company under this contract or otherwise.

7. **Patents:** The Company shall defend any suit or proceeding brought against the Purchaser and shall pay any adverse judgment entered therein so far as such suit or proceeding is based upon a claim that the use of the Equipment manufactured by the Company, and furnished under this contract, constitutes infringement of any patent of the United States of America, provided the Company is promptly notified in writing and given the authority, information and assistance by Purchaser for defense of same; and the Company shall, at its option, procure for the Purchaser the right to continue to use such Equipment, modify it so that it becomes non-infringing, replace the same with non-infringing equipment, or remove such equipment and refund the purchase price. The foregoing shall not be construed to include any agreement by the Company to accept any liability whatsoever with respect to patents for inventions including more than the Equipment furnished hereunder, or patents for methods and processes to be carried out with the aid of the Equipment. The foregoing states the entire liability of the Company with regard to patent infringement.

8. **Warranty:** The Company warrants that new Equipment manufactured by it and delivered hereunder will be free of defects in material and workmanship for the periods of time specified in the applicable warranties of the Company for such Equipment, which are incorporated herein by reference.

The Purchaser shall be obligated to promptly report any failure to conform to the applicable warranty to the Company in writing within the applicable warranty period, whereupon the Company shall, at its option, correct such nonconformity by suitable repair to such Equipment or furnish a replacement part F.O.B. point of shipment, provided the Purchaser has stored, installed, maintained and operated such Equipment in accordance with good industry practices and has complied with specific recommendations of the Company. The Company shall not be liable for repairs, replacements, or adjustments to the Equipment or any costs of labor performed by the Purchaser or others without the Company's prior written approval.

The effects of corrosion, erosion and normal wear and tear are specifically excluded from the Company's warranty. Performance warranties, if any, are limited to those specifically stated within the Company's proposal. Unless responsibility for meeting such performance warranty is limited to specified shop or field tests, the Company's obligation shall be to correct in the manner and for the period of time provided in the applicable warranty.

Accessories or equipment furnished by the Company, but manufactured by others, including, but not limited to, engines, tires, batteries, engine electrical equipment, hydraulic transmissions, and carriers, shall carry whatever warranty the manufacturers have conveyed to the Company and which can be passed on to the Purchaser.

THE COMPANY MAKES NO OTHER WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, EXCEPT THAT OF TITLE, AND ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

Correction by the Company of nonconformities whether patent or latent, in the manner and for the period of time provided above, shall constitute fulfillment of all liabilities of the Company for such nonconformities, whether based on contract, warranty, negligence, indemnity, strict liability or otherwise with respect to or arising out of such Equipment.

The Purchaser shall not operate Equipment which is considered to be defective, without first notifying the Company in writing of its intention to do so. Any such use of Equipment will be at the Purchaser's sole risk and liability.

ALL USED EQUIPMENT IS SOLD "AS IS, WITH ALL FAULTS."

9. **Limitations of Liability:** THE REMEDIES OF THE PURCHASER SET FORTH HEREIN ARE EXCLUSIVE AND THE TOTAL LIABILITY OF THE COMPANY WITH RESPECT TO THIS CONTRACT OR THE EQUIPMENT AND SERVICES FURNISHED HEREUNDER, IN CONNECTION WITH THE PERFORMANCE OR BREACH THEREOF, OR FROM THE MANUFACTURE, SALE, DELIVERY, INSTALLATION, REPAIR OR TECHNICAL DIRECTION BY THE COMPANY, SHALL NOT EXCEED THE PURCHASE PRICE OF THE UNIT OF EQUIPMENT UPON WHICH SUCH LIABILITY IS BASED.

THE COMPANY AND ITS SUPPLIERS SHALL IN NO EVENT BE LIABLE TO THE PURCHASER, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS CONTRACT FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS CONTRACT OR ANY BREACH THEREOF, OR ANY DEFECT IN, OR FAILURE OF, OR MALFUNCTION OF THE EQUIPMENT HEREUNDER, WHETHER BASED UPON LOSS OF USE, LOST PROFITS OR REVENUE INTEREST, LOST GOODWILL, WORK STOPPAGE, IMPAIRMENT OF OTHER GOODS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION, INCREASED EXPENSES OF OPERATION, COST OF PURCHASE OF REPLACEMENT POWER OR CLAIMS OF PURCHASER OR CUSTOMERS OF PURCHASER, OR SERVICE INTERRUPTION, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE.

10. **Nuclear Liability:** In the event that the Equipment sold hereunder is to be used in a nuclear facility, the Purchaser hereby releases and agrees to indemnify the Company and its suppliers for any nuclear damage, including loss of use, in any manner arising out of a nuclear incident, whether alleged to be due in whole or in part to the negligence or otherwise of the Company or its suppliers.

11. **Governing Law:** The rights and obligations of the parties shall be governed by the laws of the State of North Carolina excluding its conflicts of law principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this contract.

12. **Execution:** The Company shall not be bound by any contract or any modification thereto until approved in writing by an officer of the Company. The contract, when so approved, shall supersede all previous communications, either oral or written, with respect to the subject matter thereof.

TERMS AND CONDITIONS – EQUIPMENT RENTAL

1. Lessee agrees to rent the Equipment for the term and at the stipulated rental rates and to pay such rental when due irrespective of any claims, demands, set-offs, actions, suits or proceedings, that it may have or assert against Lessor.

2. From the time the Equipment is shipped from Lessor's facility, until it is returned to Lessor's designated facility, Lessee shall use the Equipment in the conduct of its business; (ii) use and preserve the Equipment in a careful, proper and lawful manner; (iii) at its own expense keep the Equipment in good repair, condition and working order and pay the cost of any and all parts and labor required for that purpose, using only parts manufactured or furnished by the manufacturer of the Equipment; (iv) not make any material alterations to the Equipment; (v) promptly notify Lessor of any loss of or damage to the Equipment; and (vi) assume the entire risk of loss of and damage to the Equipment, and injury or death to persons, from any cause whatsoever arising under this agreement.

3. Lessor may inspect the Equipment at all reasonable times.

4. Lessee shall report and pay to the appropriate authority any and all license fees, registration fees, assessments, charges and taxes, including penalty and interest, assessed against the Equipment due to rental or use thereof and reimburse Lessor upon request for any such amounts assessed against Lessor by reason of the rental or use of the Equipment, except for taxes payable in respect to Lessor's income.

5. Lessee shall keep the Equipment at the address specified in this agreement, and not remove it therefrom without the Lessor's prior written consent. Lessee shall not assign, sublet or pledge any of the Equipment or any interest in this agreement, and any attempt to do so shall constitute an act of default hereunder.

6. The Equipment shall at all times remain personal property of Lessor regardless of the degree of its annexation to any real property and shall not by reason of any annexation become a part thereof. Lessor shall retain a security interest in the Equipment in the event that the rental of the Equipment is held by a court to constitute a lease intended for security and Lessee agrees upon request to do all things and acts necessary to perfect and maintain such security interest.

7. Lessee, at its own expense, will maintain all risk insurance coverage on the Equipment for its full replacement value, and also such other insurance as Lessor may require, in amounts and under policies acceptable to Lessor, with loss payable to Lessee and Lessor as their respective interests may appear. Upon request of Lessor, Lessee shall furnish certificates of insurance evidencing such coverage. Each policy shall provide for thirty (30) days written notice to Lessor of the cancellation or material modification thereof.

8. Lessee shall promptly notify Lessor of each accident involving any Equipment, including time, place, nature of the accident or damage, and such other information as may be known; advise Lessor of all correspondence, papers, notices, or documents received; aid in the investigation and defense of all such claims; and assist in the recovery of damages, from third parties liable therefor.

9. In the event of damage to or loss, destruction or theft of the Equipment or any part thereof, Lessee shall pay to Lessor the full value of the Equipment at the time of such occurrence except to the extent that Lessor receives proceeds of insurance covering such Equipment. Such payment may, at Lessor's option, be applied (i) to repair such Equipment, or (ii) to afford Lessee a pro rata reduction in the rental payments attributable to the lost or damaged Equipment, or (iii) to replace the Equipment with equipment of the same make and the same or later model.

10. LESSEE UNDERSTANDS THAT LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS CONTRACT OR THE EQUIPMENT AND ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

11. LESSOR SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSS (I) RESULTING FROM THE NON-DELIVERY, DELIVERY, MANUFACTURE, INSTALLATION, USE OR OPERATION OF THE EQUIPMENT, OR FROM ANY DEFECTS IN, FAILURES, MALFUNCTIONS, REPAIRS, REPLACEMENTS OR ALTERATIONS THEREOF, OR (II) WITHOUT LIMITATION, ANY OTHER LIABILITY OF ANY NATURE WITH RESPECT TO THE EQUIPMENT, OR THIS AGREEMENT OR ANY BREACH THEREOF, OR ARISING OUT OF NEGLIGENCE. FURTHERMORE, LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES, FROM ANY AND ALL CLAIMS, ACTIONS, SUITS, PROCEEDINGS, COSTS, EXPENSES, DAMAGES, AND LIABILITIES, INCLUDING ATTORNEYS' FEES, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM, THIS AGREEMENT OR THE BREACH THEREOF.

12. Upon termination of this agreement, Lessee will, at its own cost and expense, promptly return the Equipment to Lessor in the same condition as received, reasonable wear and tear and normal depreciation excepted.

13. If Lessee breaches its obligation to pay rentals when due or any of the other terms of this agreement, or if Lessee becomes insolvent or ceases to do business as a going concern, or if the Equipment or any part of it is abused, illegally used or misused, or if Lessee makes an assignment for the benefit of creditors, or if a petition in bankruptcy or for arrangement or reorganization is filed by or against Lessee, or if property of Lessee is attached or a receiver is appointed for Lessee or any of Lessee's property, or if Lessee is in default pursuant to the provisions of any other agreement by and between Lessor and Lessee, or whenever Lessor may deem the rentals or Equipment insecure, the Lessee hereby authorizes Lessor to enter, with or without legal process, any premises where the Equipment may be and take possession thereof, or at the request of Lessor, Lessee will assemble the Equipment and make the Equipment available to the Lessor, in whole or in part as requested, at such place or places designated by the Lessor. All remedies herein are cumulative and any or all such remedies may be exercised in lieu of or in addition to any remedies at law, in equity or under statute. If after default this agreement is placed with an attorney for collection of unpaid rentals or enforcement of any other right or remedy of Lessor, Lessee shall pay reasonable attorney's fees. Waiver of any default shall not be a waiver of any other or subsequent default.

14. All notices required to be given hereunder shall be in writing and shall be deemed adequately given if sent by registered or certified mail to the other party at the registered address of such other party, or at such other place as either party may designate in writing to the other party.

15. The rights and obligations of the parties shall be governed by the laws of the State of North Carolina excluding its conflicts of law principles.

16. This document and any attachments hereto constitute the entire agreement of the parties with respect to the subject matter hereof. No variation or modification of this document and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by both parties.

Reference Sales Order No: EQ0016832 Midway Sanitary District

Customer's Initials: _____

**YOU'RE INVITED TO JOIN US
FOR THE
ISDOC QUARTERLY LUNCHEON**



Thursday, July 25, 2024



11:30 A.M. - 1:00 P.M.



**MWDOC
18700 Ward Street
Fountain Valley, CA 92708**



Guest Speaker: Karalee Darnell

Senior Manager, Disneyland Government Relations

Disneyland Forward

DisneylandForward, a \$1.9B multi-decade expansion plan, was approved by the Anaheim City Council this spring. It's a transformative initiative that aims to bring new experiences to the Disneyland Resort with new attractions, experiences, hotels, and additional parking. What does this significant expansion mean for the resort area and the county as a whole? We hope you'll join us to hear more about DisneylandForward and some of the exciting changes this will bring to our region's most popular destination!

In addition we'll spotlight Sunset Beach Sanitary District. RSVP today!

Register by Tuesday, July 23rd : \$30.00

Registration after July 23rd : \$40.00

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 tdubuque@mwdoc.com

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Sent via Certified Mail

July 5, 2024

Robert Housley
Interim General Manager
Midway City Sanitary District
14451 Cedarwood Avenue
Westminster, CA 92683

Subject: Notification of Evaluation and Review for Midway City Sanitary District's
Waste Diversion Programs

Dear Robert Housley:

This correspondence serves as notice that the Department of Resources Recycling and Recovery's (CalRecycle) Jurisdiction and Agency Compliance and Enforcement Branch (JACE) will be conducting an evaluation and review of Midway City Sanitary District (Jurisdiction) pursuant to section 18996.1(c) of Title 14 of the California Code of Regulations (14 CCR). This evaluation and review will determine the Jurisdiction is compliant with the following:

- Short-Lived Climate Pollutants (SLCP) (14 CCR sections 18981.1 through 18998.4),
- Mandatory Commercial Organics Recycling (MORe) (Public Resources Code (PRC) sections 42649.8 through 42649.87),
- Mandatory Commercial Recycling (MCR) (PRC sections 42649 through 42649.7 and 14 CCR sections 18835 through 18839), and
- Efforts to implement Source Reduction and Recycling Element (SRRE) (PRC section 41000 or PRC section 41300) and Household Hazardous Waste Element (HHWE) (PRC section 41500 or PRC section 41510).

A member of JACE will be contacting you shortly with more information about what to expect during the evaluation. After the call, a second letter will be sent with a request for information regarding the Jurisdiction's waste diversion programs, including requesting access to the Jurisdiction's SLCP Implementation Record pursuant to 14 CCR section 18996.1(b). Once the Implementation Record is reviewed and any additional information

has been received, a field visit will be arranged with you, that will also include visiting applicable solid waste facilities. With the completion of the field visit and complete analysis of all the available information, a draft report will be shared with you with a request to confer on the findings. The report will then be finalized and sent to you for your records.

If you have any questions about JACE's evaluation and review, please do not hesitate to contact Jennifer Wallin at Jennifer.Wallin@CalRecycle.ca.gov or (562) 492-9685.

Sincerely,

Ashlee M. Yee, Branch Chief
Jurisdiction and Agency Compliance and Enforcement Branch

cc: Jennifer Wallin, JACE Manager, CalRecycle
Karla Miller, Local Assistance and Market Development (LAMD) Manager,
CalRecycle
Mallory Burden, LAMD Supervisor, CalRecycle
Wendy Dunlap, LAMD Environmental Scientist, CalRecycle