

Suburban Propane

4625 N Golden State Blvd, Turlock CA 95382

Ph. (209) 634-9066

ATTACHMENT A

Option 1

**Western Hills Water District is the system operator Suburban Propane provides
new equipment and bulk delivery service**

Western Hills Water District
On behalf of Community Facilities District #1
9501 Morton Davis Drive
Diablo Grande, Ca. 95363

July 30th 2025

RE: Propane Service

Mark

As discussed during our initial site visit listed below is our proposal for service under option 1.

Suburban Propane will supply the propane service to Western Hills Water District as detailed:

- 1) Suburban Propane supplies all of your LPG fuel deliveries at a fixed margin of \$0.40 over our laid in cost of fuel at time of each delivery. *(Western Hills supplies, maintains and is responsible for all necessary propane tanks required, vaporizers, regulators, meters, along with all below and above ground plumbing. Reads meters, bills tenants and completes / complies with all testing and documentation requirements for a jurisdictional system All permits, fees, inspections and drawings customers responsibility).*
- 2) Customer to complete annual leak surveys to underground gas lines as required.
- 4) As the operator of the system customer to provide copies of system documentation kept on file at Western Hills to Suburban Propane.

- 5) Current supplier JS West owns all above ground equipment, if JS West is unwilling to sell the existing equipment to Western Hills at fair market value Suburban propane will purchase the following new equipment on behalf of Western Hills:
 - A. 5 – RH 200 vaporizers - \$60,645.00
 - B. 5 – Pilot igniters - \$3,550.00
 - C. 595 – ¾” residential vapor meters - \$140,497.35
 - D. 4 – 2” monitor regulators - \$22,736.16
 - E. 1 – 2” regulator w/ 1” orifice - \$1,545.39
 - F. 1 – Master Vapor meter - \$627.84
 - G. 595 – ¾” 2nd stage regulators - \$31,636.15
- 6) All financial expenditures predicated on a signed service agreement and Suburban Propane’s Capital Expenditure Committees final approval.
- 7) Cost estimate for itemized equipment totals \$261,237.89, to help cover any additional costs for above ground plumbing Suburban Propane will include if needed an additional \$8,762.31 for a total expenditure of \$270,000.00.
- 8) Length of term is 10 years with an early termination fee of actual expenditure up to \$270,000.00
- 9) At the end of the 10 Year length of term, the early termination fee is satisfied and Western Hills shall have the option of continuing with a fixed margin pricing structure at \$0.40 over Suburban Propane’s laid in cost at 5 year increments.
- 9) Install of equipment listed is Western Hills responsibility as the operator of the system and costs are for the equipment only and do not include labor charges for Western hills to complete or hire a 3rd party to install.
- 10) Suburban Propane shall have the right of 1st refusal for any minor repairs or testing that is within their capability at all homes serviced by propane from the outlet side of the above ground gas stub up at each residence if Western Hills elects to hire a 3rd party for repairs. Current parts and labor charges would apply at time of each request of service and be billed to Western Hills.

Date

Signature of acceptance option 1

Name

Title

Option 2

Western Hills Water District is the system operator Suburban Propane purchases existing system at fair market value from JS West and provides bulk delivery service

Western Hills Water District
On behalf of Community Facilities District #1
9501 Morton Davis Drive
Diablo Grande, Ca. 95363

July 30th 2025

Suburban Propane will supply the propane service to Western Hills Water District as detailed:

- 1) Suburban Propane supplies all of your LPG fuel deliveries at a fixed margin of \$0.30 over our laid in cost of fuel at time of each delivery. *(Western Hills supplies, maintains and is responsible for all necessary propane tanks required, vaporizers, regulators, meters, along with all below and above ground plumbing. Reads meters, bills tenants and completes / complies with all testing and documentation requirements for a jurisdictional system All permits, fees, inspections and drawings customers responsibility).*
- 2) Customer to complete annual leak surveys to underground gas lines as required.
- 4) As the operator of the system customer to provide copies of system documentation kept on file at Western Hills to Suburban Propane.
- 5) Current supplier JS West owns all above ground equipment and is willing to sell the existing equipment to Western Hills at fair market value, Suburban propane will pay for the purchase from Western Hills up to \$150,000.00
- 6) All financial expenditures predicated on a signed service agreement and Suburban Propane's Capital Expenditure Committees final approval.
- 7) Length of term is 10 years with an early termination fee of actual expenditure up to \$150,000.00

- 8) At the end of the 10 Year length of term, the early termination fee is satisfied and Western Hills shall have the option of continuing with a fixed margin pricing structure at \$0.30 over Suburban Propane's laid in cost at 5 year increments.
- 9) Suburban Propane shall have the right of 1st refusal for any minor repairs or testing that is within their capability at all homes serviced by propane from the outlet side of the above ground gas stub up at each residence if Western Hills elects to hire a 3rd party for repairs Current parts and labor charges would apply at time of each request of service and be billed to Western Hills.

Date

Signature of acceptance option 2

Name

Title

Option 3

Western Hills Water District is the system operator, Suburban Propane provides bulk delivery service without initial capital expenditure

Western Hills Water District
On behalf of Community Facilities District #1
9501 Morton Davis Drive
Diablo Grande, Ca. 95363

July 30th 2025

Suburban Propane will supply the propane service to Western Hills Water District as detailed:

- 3) Suburban Propane supplies all of your LPG fuel deliveries at a fixed margin of \$0.20 over our laid in cost of fuel at time of each delivery. *(Western Hills supplies, maintains and is responsible for all necessary propane tanks required, vaporizers, regulators, meters, along with all below and above ground plumbing. Reads meters, bills tenants and completes / complies with all testing and documentation requirements for a jurisdictional system All permits, feed inspections and drawings customer responsibility).*
- 4) Customer to complete annual leak surveys to underground gas lines as required.
- 4) As the operator of the system customer to provide copies of system documentation kept on file at Western Hills to Suburban Propane.
- 5) Western Hills Water District owns all equipment.
- 6) Suburban Propane has no initial capital expenditure
- 6) Length of term is 5 years

- 8) Suburban Propane shall have the right of 1st refusal for any minor repairs or testing that is within their capability at all homes serviced by propane from the outlet side of the above ground gas stub up at each residence if Western Hills elects to hire a 3rd party for repairs Current parts and labor charges would apply at time of each request of service and be billed to Western Hills.

Date

Signature of acceptance option 3

Name

Title