

EXHIBIT 8-A

Risks under the Water Purchase Agreement

Who Pays?

Exposure	Protection
Construction Risk	Contractor Insurance; In case of major delay District pays fixed loan costs
Construction Overruns	Exposed? Apply to CPUC to be included in purchase water cost. If denied, District pays.
Interruption	Operating Reserve, until depleted. Cal-Am does not have to pay for water not delivered
Water Quality Remediation	Insurance
Inflation & Repairs	Ratepayers though Tier 1 Advice Letter
Large Capital Fix	Exposed? Apply to CPUC to be included in purchase water cost. If denied, District pays.
Damages	Insurance or District Pays
Cal-Am Failure or Bankruptcy	District pays fixed loan costs
Water Delivered into the Reserve and held until future delivery to Cal-Am	District Pays