

Water Delivery Agreement

**Between
City and Borough of Sitka (CBS) and Northern Southeast
Regional Aquaculture Association (NSRAA)**

CBS Shall:

1. Provide up to 6.4 million gallons per day of raw water to NSRAA at no charge.
2. Have the right to determine which method or water line is used to deliver raw water to NSRAA based on Blue Lake water levels.
3. Provide and maintain afterbay pumps to move up to 10 cfs of water via a water line from the afterbay to the bulk water pipeline.
4. Permit NSRAA to install a tap and isolation valve in the 42" bulk water line pending CBS approval.
5. Allow NSRAA to install a root valve, PRV, and controls after existing shut off valve on the 16" former filter plant backwash water line located in the plywood shed housing the 2 pulp mill 16" water lines pending CBS approval.
6. Allow NSRAA, at their own expense, to replace the existing shut off valve with their own shut off valve pending CBS approval.
7. Allow NSRAA access to the plywood shed housing the 2 pulp mill 16" water lines and control of valves and controls between the Industrial water penstock valve and the NSRAA

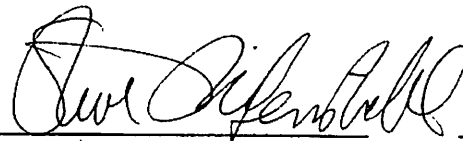
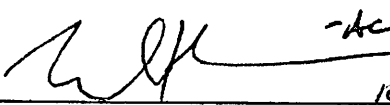
root valve controlling flow through the 16" former filter back flush water line.

8. Notify NSRAA as soon as planned temporary suspension is known to CBS but at least 30 day prior to any planned temporary suspension of the supply of water.
9. Perform necessary actions to allow Sawmill Creek water to fill the afterbay in the event of a loss of supply of water via the penstock or hydro turbine outage. Note: This action could take up to a week depending on the state of Sawmill Creek and the tailrace bypass gate allowing water to back fill into the afterbay.
10. Maintain the 42" bulk water valve at the intake end of the bulk water line in the open position.
11. Maintain the two 36" bulk water loading valves at the discharge end of the bulk water line in the closed position under normal operation and will coordinate with NSRAA before these valves are to be opened for flushing, filling a ship or other activities.
12. Allow NSRAA's pumps to be connected to city back up power generation for hydro building.

NSRAA Shall:

1. Be responsible for all costs associated with construction of a 16" NSRAA Emergency water line and isolation valve.
2. Install NSRAA controls between the 16" industrial water penstock valve and the NSRAA root valve.
3. Provide and maintain NSRAA controls.

4. Provide and maintain all equipment at the NSRAA facilities.
5. Be responsible for purchase and maintenance of supplies e.g. batteries for valve controls.
6. During emergency penstock or electrical outages, NSRAA shall request CBS approval and perform necessary actions to allow Sawmill Creek to fill the afterbay.

		-ACTING 10/15/12
Steve Reifensstuhl	James Dinley	
NSRAA	City and Borough of Sitka	

Agreed Upon: October 11, 2012