

AGREEMENT FOR CONSULTING SERVICES

This agreement sets forth the agreement and understanding between City of Coalinga (Coalinga) and Interstate Gas Services, Inc. (also IGS or IGService) for the purpose of IGS providing utility-related consulting services to Coalinga.

SCOPE:

IGS serves Coalinga in various utility-related areas. IGS manages all aspects of natural gas procurement for Coalinga's natural gas system. IGS facilitates the purchases gas under an agreement in place between Coalinga and it's supplier with specific authorization from the City Manager for each purchase. IGS provides monthly estimated gas quantities to Coalinga's supplier, negotiates sale-back of excess Redwood-path pipeline capacity, and verifies all supplier billing statements. IGS also provides advice regarding purchase opportunities for Coalinga's gas supply.

At the request of the City Manager, IGS may also evaluate water and sewer rates, consider the impact on rates of future anticipated capital projects, and prepare reports and presentations accordingly.

Beyond the above-identified areas, this letter agreement is general in nature. All additional work shall be as directed only by the City Manager and agreed to by Dan Bergmann of IGS.

TERM:

This agreement is effective September 1, 2010. This agreement supersedes all other agreements in place between IGS and Coalinga.

This agreement shall continue until terminated by either party on 30 days written notice, with or without cause.

FEES:

For services provided by IGS:

\$195 per hour for the first six hours each month, and \$150 per hour thereafter

Coalinga utilizing IGS work products as evidence. IGS agrees to defend, indemnify Coalinga and save it harmless from all Claims, from any and all persons, arising from or out of the work of IGS hereunder, including but not limited to, the claims of customers, suppliers, and IGS employees.

INDEPENDENT CONTRACTOR:

In performing under this agreement, IGS shall act at all times as an independent contractor. IGS shall not make any commitment or incur any charge or expense in the name of Coalinga.

IGS expressly agrees, acknowledges, and stipulates that neither this Agreement nor the performance of its obligations or duties thereunder shall ever result in IGS, or anyone employed by IGS, being:

- A. An employee, agent, servant or representative of Coalinga; or
- B. Entitled to any benefits from Coalinga, including, without limitation, pension, profit sharing, accident insurance, or health, medical, life, or disability insurance benefits or coverage, to which employees of Coalinga are entitled.

The sole and only compensation and/or benefit of any nature to which IGS shall be entitled are the payments provided for herein. Coalinga shall have no direction or control of IGS or its employees and agents except in the results to be obtained subject to Coalinga's right to review/inspect the services. The actual performance and supervision of all services shall be by IGS, but the services shall meet the approval of Coalinga.

SOCIAL SECURITY AND WAGE TAX LIABILITY:

IGS agrees to pay timely and to accept exclusive liability for the payroll taxes, contributions for unemployment compensation insurance, old age benefits, social security, and any other payments now or hereafter imposed by the Government of the United States or by any state or political subdivision thereof, which are measured by the ages, salaries or other remuneration paid to IGS's employees. IGS agrees to indemnify Coalinga and save it free and harmless from and against any and all taxes, contributions, and/or payments imposed by law upon IGS.

ASSIGNMENTS AND SUBCONTRACTS:

This Agreement shall not be assigned or subcontracted. By this Agreement, Coalinga specifically contracts for the personal services of Dan Bergmann.

PAYMENT:

IGS shall bill Coalinga for work completed on a monthly basis. Payment is due 30 days after receipt of the invoice. Any overdue payments may, at IGS sole discretion, accrue a late charge of 1% per month.

INSURANCE:

IGS shall maintain insurance and shall submit certificates of insurance evidencing that insurance meeting the following requirements is being provided:

1. Errors and Omissions Insurance. If IGS is professionally licensed, IGS shall have such errors and omissions insurance as shall protect City, its officers, directors, employees and agents from claims based on errors or negligent acts or omissions which may arise from IGS' operations or performance under this Agreement, whether claims be made during or subsequent to the term of this Agreement, and whether such operations or performance be by IGS or its employees, Consultants, agents or anyone else directly or indirectly employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000.

Said policy shall be continued in full force and effect during the term of this Agreement. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of IGS during the course of performing services under the terms of this Agreement.

2. Workers Compensation. IGS shall carry such insurance as will protect City and IGS from claims under Workers Compensation and Employer's Liability Acts; such insurance to be maintained as to the type and amount in strict compliance with State statutes.
3. General Liability. IGS shall obtain and keep in full force and effect general liability insurance including provisions for contractual liability, personal injury, independent Consultants and broad form property damage coverages. This insurance shall be on a comprehensive occurrence basis form with a stand cross liability clause or endorsement. The limit for this insurance shall be no less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
4. Automobile Liability. IGS shall maintain automobile liability insurance with coverage for any vehicle including those owned, leased, rented or borrowed. This insurance shall have a standard cross liability clause or endorsement. The limit amount for this insurance shall be no less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
5. Within thirty (30) days of the date of this Agreement, IGS shall provide the City with Certificates of Insurance demonstrating compliance with provisions 1 through 4 above.

Said certificates shall specify or endorse to provide that ten (10) days notice shall be given in writing to the City of any cancellations.

NOTICES:

City of Coalinga

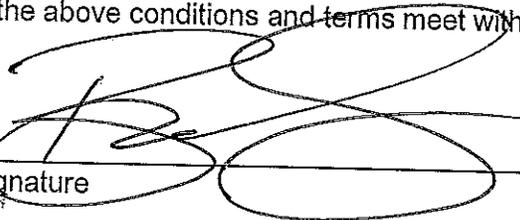
City of Coalinga
155 West Durian
Coalinga, CA 93210
Attn: City Manager

Interstate Gas Services, Inc.

Interstate Gas Services, Inc.
1700 N. Broadway, Suite 430
Walnut Creek, CA 94596
Attn: Dan Bergmann
President

SIGNATURES:

If the above conditions and terms meet with your approval, please sign below:



Signature

September 29, 2010
Date

Bill Skinner
Name Printed

City Manager
Title



Dan Bergmann
President
Interstate Gas Services, Inc.

9/21/2010
Date