



**SPMUD BOARD OF DIRECTORS
REGULAR MEETING: 4:30 PM
January 3, 2019
SPMUD Board Room
5807 Springview Drive, Rocklin, CA 95677**

The District’s regular Board meeting is held on the first Thursday of every month. This notice and agenda are posted on the District’s web site (www.spmud.ca.gov) and posted in the District’s outdoor bulletin board at the SPMUD Headquarters at the above address. Meeting facilities are accessible to persons with disabilities. Requests for other considerations should be made through the District Headquarters at (916)786-8555.

AGENDA

I. CALL MEETING TO ORDER

II. ROLL CALL OF DIRECTORS

President Gerald Mitchell,	Ward 1
Director William Dickinson,	Ward 2
Director John Murdock,	Ward 3
Director Victor Markey,	Ward 4
Vice President James Williams,	Ward 5

III. PLEDGE OF ALLEGIANCE

IV. CONSENT ITEMS

[pg 4 to 33]

Consent items should be considered together as one motion. Any item(s) requested to be removed will be considered after the motion to approve the Consent Items.

ACTION: (Voice vote)

Motion to approve the consent items for the January 3, 2019 meeting

1. MINUTES from the December 6, 2018 Special Meeting. [pg 4]
2. MINUTES from the December 6, 2018 Regular Meeting. [pg 5 to 6]
3. ACCOUNTS PAYABLE in the amount of \$2,557,918.95 through 12/26/18 [pg 7 to 11]
4. MONTHLY INVESTMENT REPORT in the total amount of \$53,064,471 through 12/26/18 [pg 12]
5. BILL OF SALE for Sewer Improvements within Placer Creek Corporate Center Access Rd. [pg 13 to 16]
6. BILL OF SALE for Sewer Improvements within Rocklin Senior Living (Sagora) [pg 17 to 20]

- 7. BILL OF SALE for Sewer Improvements within Whitney Ranch Phase III Unit 42 and 44A [pg 21 to 25]
- 8. RESOLUTION #19-02 ACCEPTANCE OF LOOMIS DIVERSION TRUNKLINE PROJECT [pg 26 to 29]
- 9. RESOLUTION #19-03 REIMBURSEMENT AGREEMENT WITH THE CITY OF ROCKLIN FOR ENGINEERING SERVICES TO DESIGN SEWER REPLACEMENT WITHIN THE ROCKLIN RD/PACIFIC STREET ROUNDABOUT PROJECT [pg 30 to 33]

V. PUBLIC COMMENTS

Items not on the Agenda may be presented to the Board at this time; however, the Board can take no action.

VI. BOARD BUSINESS

Board action may occur on any identified agenda item. Any member of the public may directly address the Board on any identified agenda item of interest, either before or during the Board's consideration of that item.

- 1. ISSUANCE OF OATH OF OFFICE Verbal
DIRECTOR WILLIAM DICKINSON – WARD #2
DIRECTOR JOHN MURDOCK – WARD #3

Declaration of the oath of office to the two returning Directors from Ward #2 & Ward #3, pursuant to the four-year term appointments made by the Placer County Board of Supervisors.

- 2. SELECTION OF OFFICERS AND APPOINTMENTS TO THE TEMPORARY ADVISORY COMMITTEES AND SPWA BOARD [pg 34]

Selection of Officers for the 2019 calendar year and appointment to various temporary advisory committees and a district representative to SPWA.

Action Requested: Voice Vote

- 1. The current President, Jerry Mitchell, dissolve the existing advisory committees;
- 2. The current Vice-President, Jim Williams, succeed as the new President for 2019;
- 3. The Board of Directors consider nominations for a new Vice-President, entertain a motion for a nominee and vote on said motion; and
- 4. The President create and make appointments to any new temporary advisory committees; and
- 5. The President appoint a District representative to the South Placer Wastewater Authority Board of Directors.

- 3. ADOPTION OF RESOLUTION #19-01 AUTHORIZING THE SECOND AMENDED AND RESTATED SPWA JPA, FUNDING & OPERATIONS AGREEMENT [pg 35 to 143]

Staff from SPWA and member agencies have been working collaboratively to develop a methodology to address the underfunding of one of the partners in the JPA. The requested actions before the Board of Directors are to formalize the agreed upon methodology and modify the current agreements to reflect the outcome of the collaborative efforts to develop a “reallocation model”.

Action Requested: Roll Call Vote

Staff recommends that the Board of Directors adopt a resolution authorizing the District's representative on the SPWA Board to vote to approve the following agreements and authorize the General Manager to execute said agreements on behalf of the District.

- 1) Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.;
- 2) Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and
- 3) Second Amended and Restated Agreement regarding the Operations and Use of the South Placer Regional Wastewater Facilities.

4. GENERAL MANAGER GOALS FOR 2019

[pg 144 to 146]

The Board has requested that the General Manager present goals for the upcoming year to be reviewed. These items were reviewed by the President's Committee on December 13, 2018 and are being forwarded for the Boards discussion and approval.

Action Requested: Voice Vote

Staff recommends that the Board of Directors

1. Review, comment, edit and approve the list of 2019 Goals and Programmed items.

VII. REPORTS

[pg 147 to 154]

The purpose of these reports is to provide information on projects, programs, staff actions and committee meetings that are of general interest to the Board and public. No decisions are to be made on these issues.

1. Legal Counsel (A. Brown)
2. General Manager (H. Niederberger)
 - 1) FSD, ASD & TSD Reports
 - 2) Informational items
3. Director's Comments: Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

VIII. ADJOURNMENT

If there is no other Board business the President will adjourn the meeting to its next regular meeting on February 7, 2019 at 4:30 p.m.

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Meeting	Location	Date	Time
Special	District Office	December 6, 2018	4:30 p.m.

I. CALL MEETING TO ORDER: The Special Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Mitchell presiding at 4:30 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Jerry Mitchell, Will Dickinson, Jim Williams

Absent: John Murdock, Vic Markey

Vacant: None

Staff: Herb Niederberger, General Manager
Adam Brown, Legal Counsel

Others: Justin Williams, Munn Urrutia, Nelson CPAs

III. PLEDGE OF ALLEGIANCE: President Mitchell led the Pledge of Allegiance.

IV. PUBLIC COMMENTS:

There were no members of the public present.

V. BOARD BUSINESS:

1. CONSIDERATION & APPROVAL OF RESOLUTION #18-31 REQUESTING THAT APPOINTMENTS ARE MADE BY THE PLACER COUNTY BOARD OF SUPERVISORS FOR WARD #2 & #3 ON THE SPMUD BOARD OF DIRECTORS IN LIEU OF AN ELECTION.

Director Williams made a motion to adopt Resolution #18-31 requesting the Placer County Board of Supervisors appoint Director Dickinson as Board Member for Ward #2 & Director Murdock as Board Member for Ward #3 on the SPMUD Board. A second was made by Director Dickinson, the motion carried 3-0.

VI. ADJOURNMENT

President Mitchell adjourned the meeting at 4:35 p.m. to its regular meeting, following immediately.



Joanna Belanger, Board Secretary

BOARD MINUTES
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Meeting	Location	Date	Time
Regular	District Office	December 6, 2018	4:35 p.m.

I. CALL MEETING TO ORDER: The Regular Meeting of the South Placer Municipal Utility District Board of Directors was called to order with President Mitchell presiding at 4:35 p.m.

II. ROLL CALL OF DIRECTORS:

Present: Jerry Mitchell, Will Dickinson, John Murdock, Jim Williams

Absent: Vic Markey

Vacant: None

Staff: Herb Niederberger, General Manager
Adam Brown, Legal Counsel
Joanna Belanger, Administrative Services Manager
Eric Nielsen, District Engineer
Sam Rose, Superintendent

Others: Justin Williams, Munn Urrutia, Nelson CPAs

Director Murdock arrived at the meeting at 4:50 p.m.

III. PLEDGE OF ALLEGIANCE: President Mitchell led the Pledge of Allegiance.

IV. CONSENT ITEMS:

1. MINUTES from the November 1, 2018 Meeting.
2. MINUTES from the November 8, 2018 Special Meeting.
3. MINUTES from the November 28, 2018 Special Meeting.
4. ACCOUNTS PAYABLE in the amount of \$287,382.95 through November 29, 2018.
5. MONTHLY INVESTMENT REPORT in the total amount of \$54,239,745 through November 29, 2018.
6. RESOLUTION #18-30 LANDS OF PERONA (5850 BRACE RD) REFUND AGREEMENT
7. FSD VEHICLE PURCHASE - CONSTRUCTION TRUCK REPLACEMENT

Director Dickinson made a motion to approve all items on the consent calendar; a second was made by Director Williams, the motion carried 3-0.

V. PUBLIC COMMENTS:

Director Mitchell opened the Public comments. Hearing no comments, the public comments session was closed.

VI. BOARD BUSINESS

1. FISCAL YEAR 17/18 AUDIT REPORT ACCEPTANCE

GM Niederberger introduced Justin Williams, Managing Partner from Munn Urrutia Nelson CPAs. Mr. Williams presented a summary report of the Fiscal Year 2017/18 Audit process and results. He explained that the District has received an Unmodified "Clean" Audit opinion with no compliance exceptions; no material weaknesses and

no significant deficiencies. He explained adjustments included in the Audit report related to GASB 68 & 75. Director Dickinson asked about the reduction in interest during FY 17/18. GM Niederberger responded that the reduction related to the extensive utilization of Capital Improvement Funds for projects such as the Loomis Diversion Project. Director Dickinson also asked about notation #4 on the Balance Sheet. ASM Belanger and Auditor Williams specified the advance to other funds notation accounts for the Newcastle Loan (NSD merging with SPMUD) and is also shown as Restricted funds under the net position in Capital Improvement Funds.

Director Dickinson made a motion to accept the Fiscal Year 17/18 Audit Report; a second was made by Director Williams, the motion carried 4-0.

VII. REPORTS:

1. District General Counsel (A. Brown): General Counsel Brown had no report.

2. General Manager (H. Niederberger): GM Niederberger requested a date for the President and Vice Presidents meeting to be held prior to the Holiday break. It was determined that both President Mitchell and Vice President Williams were available to meet on 12/13/18.

A. ASD, FSD & TSD Reports: GM Niederberger and Staff members responded to a question from President Mitchell regarding Accessory Dwelling Units; a short discussion followed revisiting the Boards policy and its compliance with State laws.

B. Information Items: No additional items were reported.

3. Directors Comments: Director Dickinson mentioned that he had read the CSDA article regarding recent legislation (AB2329) for Director stipends. GM Niederberger stated that the legislation brings conformity to all districts for compensation up to six meetings per month with a rate up to \$100 per meeting. He mentioned that he plans on bringing the discussion to Assemblyman Kiley regarding any possibilities to increase the rate per meeting in the near future.

VIII. CLOSED SESSION

At 4:55 p.m. President Mitchell closed the Regular session and convened into Closed Session for a discussion regarding the General Manager Performance evaluation.

PUBLIC EMPLOYMENT – GENERAL MANAGER PERFORMANCE EVALUATION (Per Subdivision (a) of Government Code Section 54957)

The Board reconvened from Closed Session at 5:23pm. The Board of Directors reported that they had concluded the General Manager’s Performance Evaluation, which the General Manager signed. The Board authorized the contribution of 3.5% of the General Manager’s salary into a 401a) Supplemental Retirement program.

IX. ADJOURNMENT

The President adjourned the meeting at 5:25 p.m. to the next regular meeting to be held on January 3, 2019 at 4:30 p.m.



Joanna Belanger, Board Secretary



South Placer Municipal Utility District, CA

Check Report

By Check Number

Date Range: 11/23/2018 - 12/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
1240	Placer County Personnel	11/28/2018	Regular	0.00	2,906.44	10649
1073	Consolidated Communications	11/29/2018	Regular	0.00	752.87	10650
1509	Crystal Communications	11/29/2018	Regular	0.00	311.64	10651
1113	Ferguson Enterprises, Inc. 1423 (Main)	11/29/2018	Regular	0.00	138.28	10652
1131	Granite Business Printing	11/29/2018	Regular	0.00	57.92	10653
1564	Jensen Landscape Services, LLC	11/29/2018	Regular	0.00	7,901.40	10654
1161	Joanna Belanger	11/29/2018	Regular	0.00	45.26	10655
1218	PCWA	11/29/2018	Regular	0.00	559.51	10656
1221	PG&E (Current Accounts)	11/29/2018	Regular	0.00	773.02	10657
1650	Precision Earthworks, Inc.	11/29/2018	Regular	0.00	12,500.00	10658
1253	Recology Auburn Placer	11/29/2018	Regular	0.00	300.84	10659
1306	Superior Equipment Repair	11/29/2018	Regular	0.00	2,711.93	10660
1325	Tyler Technologies, Inc.	11/29/2018	Regular	0.00	400.00	10661
1345	WECO	11/29/2018	Regular	0.00	376.53	10662
1327	US Bank Corporate Payment	12/06/2018	Regular	0.00	12,947.73	10665
	Void	12/06/2018	Regular	0.00	0.00	10666
	Void	12/06/2018	Regular	0.00	0.00	10667
	Void	12/06/2018	Regular	0.00	0.00	10668
	Void	12/06/2018	Regular	0.00	0.00	10669
1007	Advanced Integrated Pest	12/06/2018	Regular	0.00	106.00	10670
1663	Buckmaster Office Solutions	12/06/2018	Regular	0.00	105.13	10671
1086	Dataprose	12/06/2018	Regular	0.00	7,023.90	10672
1087	Dawson Oil Co.	12/06/2018	Regular	0.00	2,366.40	10673
1631	Instrument Technology Corporation	12/06/2018	Regular	0.00	742.71	10674
1564	Jensen Landscape Services, LLC	12/06/2018	Regular	0.00	2,391.00	10675
1163	Joe Gonzalez Trucking, LLC.	12/06/2018	Regular	0.00	2,321.07	10676
1599	MUN CPA's	12/06/2018	Regular	0.00	1,000.00	10677
1221	PG&E (Current Accounts)	12/06/2018	Regular	0.00	3,633.45	10678
1473	Pitney Bowes Purchase Power	12/06/2018	Regular	0.00	208.99	10679
1554	Service Master	12/06/2018	Regular	0.00	675.28	10680
1333	SPOK, Inc.	12/06/2018	Regular	0.00	26.29	10681
1303	State Water Resources Control Board	12/06/2018	Regular	0.00	12,259.00	10682
1685	Streamline	12/06/2018	Regular	0.00	400.00	10683
1625	T & S Construction Co. Inc.	12/06/2018	Regular	0.00	1,070,173.93	10684
1628	T & S Construction Co., Inc./ Escrow #02-700697	12/06/2018	Regular	0.00	56,324.94	10685
1492	Wave Broadband - Rocklin	12/06/2018	Regular	0.00	209.85	10686
1345	WECO	12/06/2018	Regular	0.00	5,940.73	10687
248	AT&T (916.663.1652) & (248.134.5438.608.80)	12/12/2018	Regular	0.00	186.27	10688
1022	AT&T (9391035571)& (9391053973)	12/12/2018	Regular	0.00	304.33	10689
1652	Cintas Corporation	12/12/2018	Regular	0.00	3,977.41	10690
1068	City of Roseville	12/12/2018	Regular	0.00	1,078,968.00	10691
1687	Duke's Root Control, Inc	12/12/2018	Regular	0.00	39,225.86	10692
1670	Featherlite of Northern California	12/12/2018	Regular	0.00	5,971.85	10693
1666	Great America Financial Services	12/12/2018	Regular	0.00	452.99	10694
1631	Instrument Technology Corporation	12/12/2018	Regular	0.00	72.92	10695
1686	Jan Pro	12/12/2018	Regular	0.00	704.00	10696
1218	PCWA	12/12/2018	Regular	0.00	2,076.60	10697
1679	Pisor Fence	12/12/2018	Regular	0.00	12,096.00	10698
1305	Sunbelt Rentals, Inc.	12/12/2018	Regular	0.00	198.94	10699
1306	Superior Equipment Repair	12/12/2018	Regular	0.00	1,435.16	10700
1338	Verizon Wireless	12/12/2018	Regular	0.00	1,049.35	10701
1688	Primo's Pizza	12/13/2018	Regular	0.00	995.74	10702
1292	SPMUD Petty Cash	12/21/2018	Regular	0.00	55.83	10728
1021	ARC	12/21/2018	Regular	0.00	107.48	10729

Check Report

Date Range: 11/23/2018 - 12/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
248	AT&T (916.663.1652) & (248.134.5438.608.80)	12/21/2018	Regular	0.00	9.34	10730
1047	California Chamber of Commerce	12/21/2018	Regular	0.00	214.82	10731
1073	Consolidated Communications	12/21/2018	Regular	0.00	1,865.28	10732
1399	Hadronex, Inc.,	12/21/2018	Regular	0.00	19,982.79	10733
1583	MSDS Online	12/21/2018	Regular	0.00	2,262.00	10734
1244	Preferred Alliance Inc	12/21/2018	Regular	0.00	172.20	10735
1253	Recology Auburn Placer	12/21/2018	Regular	0.00	300.84	10736
1518	Sonitrol of Sacramento	12/21/2018	Regular	0.00	802.03	10737
1499	TechRoe.com LLC	12/21/2018	Regular	0.00	3,773.94	10738
1325	Tyler Technologies, Inc.	12/21/2018	Regular	0.00	400.00	10739
1345	WECO	12/21/2018	Regular	0.00	127.63	10740
1689	William Golsong	12/21/2018	Regular	0.00	99.00	10741
1045	Cal Pers 457 Plan (EFT)	11/30/2018	Bank Draft	0.00	375.00	DFT0004007
1135	Mass Mutual (EFT)	11/30/2018	Bank Draft	0.00	6,266.00	DFT0004008
1135	Mass Mutual (EFT)	11/30/2018	Bank Draft	0.00	685.02	DFT0004009
1580	TASC	11/30/2018	Bank Draft	0.00	196.14	DFT0004010
1580	TASC	11/30/2018	Bank Draft	0.00	330.75	DFT0004011
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	147.25	DFT0004012
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	275.45	DFT0004013
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	420.54	DFT0004014
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	3,443.24	DFT0004015
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	5,256.16	DFT0004016
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	96.12	DFT0004017
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	122.07	DFT0004018
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	1,372.98	DFT0004019
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	1,744.07	DFT0004020
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	1,808.60	DFT0004021
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	1,979.92	DFT0004022
1149	Internal Revenue Service	11/30/2018	Bank Draft	0.00	10,624.50	DFT0004023
1098	EDD (EFT)	11/30/2018	Bank Draft	0.00	3,444.02	DFT0004024
1098	EDD (EFT)	11/30/2018	Bank Draft	0.00	748.82	DFT0004025
1149	Internal Revenue Service	11/30/2018	Bank Draft	0.00	2,703.22	DFT0004026
1149	Internal Revenue Service	11/30/2018	Bank Draft	0.00	8,283.18	DFT0004027
1015	American Fidelity Assurance	11/28/2018	Bank Draft	0.00	999.24	DFT0004028
1229	Pers (EFT)	11/28/2018	Bank Draft	0.00	21,729.98	DFT0004029
1229	Pers (EFT)	11/28/2018	Bank Draft	0.00	28.23	DFT0004030
1229	Pers (EFT)	11/28/2018	Bank Draft	0.00	28.85	DFT0004031
1230	Pers (EFT)	11/28/2018	Bank Draft	0.00	40,144.70	DFT0004032
1230	Pers (EFT)	11/28/2018	Bank Draft	0.00	2,128.00	DFT0004033
1230	Pers (EFT)	11/28/2018	Bank Draft	0.00	92.33	DFT0004034
1230	Pers (EFT)	11/28/2018	Bank Draft	0.00	37.73	DFT0004035
1586	Principal Life Insurance Company	11/28/2018	Bank Draft	0.00	316.21	DFT0004036
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	-183.67	DFT0004038
1229	Pers (EFT)	11/30/2018	Bank Draft	0.00	-201.07	DFT0004039
1098	EDD (EFT)	11/30/2018	Bank Draft	0.00	18.79	DFT0004041
1149	Internal Revenue Service	11/30/2018	Bank Draft	0.00	22.04	DFT0004043
1135	Mass Mutual (EFT)	12/07/2018	Bank Draft	0.00	150.00	DFT0004044
1135	Mass Mutual (EFT)	12/07/2018	Bank Draft	0.00	341.80	DFT0004045
1580	TASC	12/07/2018	Bank Draft	0.00	57.84	DFT0004046
1229	Pers (EFT)	12/07/2018	Bank Draft	0.00	291.00	DFT0004047
1229	Pers (EFT)	12/07/2018	Bank Draft	0.00	318.56	DFT0004048
1149	Internal Revenue Service	12/07/2018	Bank Draft	0.00	1,173.42	DFT0004049
1098	EDD (EFT)	12/07/2018	Bank Draft	0.00	663.96	DFT0004050
1098	EDD (EFT)	12/07/2018	Bank Draft	0.00	94.63	DFT0004051
1149	Internal Revenue Service	12/07/2018	Bank Draft	0.00	274.42	DFT0004052
1149	Internal Revenue Service	12/07/2018	Bank Draft	0.00	1,110.94	DFT0004053
1045	Cal Pers 457 Plan (EFT)	12/14/2018	Bank Draft	0.00	375.00	DFT0004055
1135	Mass Mutual (EFT)	12/14/2018	Bank Draft	0.00	6,116.00	DFT0004056
1135	Mass Mutual (EFT)	12/14/2018	Bank Draft	0.00	343.22	DFT0004057
1580	TASC	12/14/2018	Bank Draft	0.00	196.14	DFT0004058
1580	TASC	12/14/2018	Bank Draft	0.00	301.91	DFT0004059

Check Report

Date Range: 11/23/2018 - 12/26/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	147.25	DFT0004060
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	275.45	DFT0004061
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	420.54	DFT0004062
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	3,443.24	DFT0004063
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	5,256.16	DFT0004064
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	96.38	DFT0004065
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	122.41	DFT0004066
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	1,376.78	DFT0004067
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	1,748.90	DFT0004068
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	1,229.45	DFT0004069
1229	Pers (EFT)	12/14/2018	Bank Draft	0.00	1,345.91	DFT0004070
1149	Internal Revenue Service	12/14/2018	Bank Draft	0.00	10,512.02	DFT0004071
1098	EDD (EFT)	12/14/2018	Bank Draft	0.00	3,365.59	DFT0004072
1098	EDD (EFT)	12/14/2018	Bank Draft	0.00	720.84	DFT0004073
1149	Internal Revenue Service	12/14/2018	Bank Draft	0.00	2,850.06	DFT0004074
1149	Internal Revenue Service	12/14/2018	Bank Draft	0.00	8,277.04	DFT0004075

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	84	62	0.00	2,386,480.64
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	65	65	0.00	168,481.27
EFT's	0	0	0.00	0.00
	149	131	0.00	2,554,961.91

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	84	62	0.00	2,386,480.64
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	65	65	0.00	168,481.27
EFT's	0	0	0.00	0.00
	149	131	0.00	2,554,961.91

Fund Summary

Fund	Name	Period	Amount
100	GENERAL FUND	11/2018	145,220.05
100	GENERAL FUND	12/2018	2,409,741.86
			2,554,961.91

Account Number	Name	Date	Type	Amount	Reference	Packet
102-0000522-02	Wiese Investments, Inc	11/21/2018	Refund	\$ 89.60	Check #: 10633	UBPKT06651
102-0005375-02	Pastorino, Nicholas and Amy	11/21/2018	Refund	\$ 15.77	Check #: 10634	UBPKT06651
102-0006987-02	Rapolla, Frank and Michelle	11/21/2018	Refund	\$ 35.00	Check #: 10635	UBPKT06651
102-0008269-01	Wilber, David	11/21/2018	Refund	\$ 8.52	Check #: 10636	UBPKT06651
102-0009522-01	Davis, Jeff	11/21/2018	Refund	\$ 102.02	Check #: 10637	UBPKT06651
102-0010155-02	Andrews, Bryan	11/21/2018	Refund	\$ 102.00	Check #: 10638	UBPKT06651
112-1028229-00	The New Home Company	11/21/2018	Refund	\$ 55.33	Check #: 10639	UBPKT06651
112-1028337-00	Taylor Morrison of California LLC	11/21/2018	Refund	\$ 102.00	Check #: 10640	UBPKT06651
112-1028344-00	The New Home Company	11/21/2018	Refund	\$ 25.28	Check #: 10641	UBPKT06651
112-1028358-00	Meritage Homes	11/21/2018	Refund	\$ 36.36	Check #: 10642	UBPKT06651
112-1028361-00	Meritage Homes	11/21/2018	Refund	\$ 45.40	Check #: 10643	UBPKT06651
112-1028416-00	Garnet Creek Homes LLC	11/21/2018	Refund	\$ 19.96	Check #: 10644	UBPKT06651
113-1021769-01	Lu, Andy and Heather	11/21/2018	Refund	\$ 69.49	Check #: 10645	UBPKT06651
114-1025875-02	Edwards, Arthur and Alma	11/21/2018	Refund	\$ 96.45	Check #: 10646	UBPKT06651
202-0017330-01	Leggitt, Robert	11/21/2018	Refund	\$ 88.74	Check #: 10647	UBPKT06651
202-0017697-02	Khalsa Realty LLC	11/21/2018	Refund	\$ 102.00	Check #: 10648	UBPKT06651
102-0001248-02	Story, Jared and Joyce	12/17/2018	Refund	\$ 202.56	Check #: 10703	UBPKT06729
102-0006987-02	Rapolla, Frank and Michelle	12/17/2018	Refund	\$ 35.00	Check #: 10704	UBPKT06729
102-0009220-01	Radergard, John	12/17/2018	Refund	\$ 8.34	Check #: 10705	UBPKT06729
102-0011116-02	1-844-Exit-As-Is Inc	12/17/2018	Refund	\$ 24.17	Check #: 10706	UBPKT06729
106-0012643-01	Smith, Kathy A	12/17/2018	Refund	\$ 102.64	Check #: 10707	UBPKT06729
106-0012783-02	Laughlin, Lenora	12/17/2018	Refund	\$ 103.34	Check #: 10708	UBPKT06729
106-0013268-01	ERIC J FRYE	12/17/2018	Refund	\$ 102.00	Check #: 10709	UBPKT06729
106-0014292-01	PAUL HERMAN	12/17/2018	Refund	\$ 41.28	Check #: 10710	UBPKT06729
106-0015161-02	Smith, Shaun	12/17/2018	Refund	\$ 19.41	Check #: 10711	UBPKT06729
112-1023101-02	Fore, Josef and Deanna	12/17/2018	Refund	\$ 6.10	Check #: 10712	UBPKT06729
112-1024046-02	Cowsert, Bruce	12/17/2018	Refund	\$ 28.00	Check #: 10713	UBPKT06729
112-1024629-02	Genigeorgis, Constantin and Mau	12/17/2018	Refund	\$ 250.00	Check #: 10714	UBPKT06729
112-1026441-01	Davenport, Adam	12/17/2018	Refund	\$ 114.80	Check #: 10715	UBPKT06729
112-1026472-01	Johnson, William and Aimee	12/17/2018	Refund	\$ 248.74	Check #: 10716	UBPKT06729
112-1027233-01	Sobrepena, Medrich and Wilna	12/17/2018	Refund	\$ 13.86	Check #: 10717	UBPKT06729
112-1027464-00	JMC Homes Inc	12/17/2018	Refund	\$ 102.00	Check #: 10718	UBPKT06729
112-1028338-00	Taylor Morrison of California LLC	12/17/2018	Refund	\$ 11.09	Check #: 10719	UBPKT06729
112-1028346-00	Meritage Homes	12/17/2018	Refund	\$ 53.31	Check #: 10720	UBPKT06729
112-1028354-00	Meritage Homes	12/17/2018	Refund	\$ 91.67	Check #: 10721	UBPKT06729
112-1028359-00	Meritage Homes	12/17/2018	Refund	\$ 83.92	Check #: 10722	UBPKT06729
112-1028362-00	Meritage Homes	12/17/2018	Refund	\$ 68.00	Check #: 10723	UBPKT06729
112-1028425-00	Meritage Homes	12/17/2018	Refund	\$ 12.53	Check #: 10724	UBPKT06729
112-1028426-00	Meritage Homes	12/17/2018	Refund	\$ 36.36	Check #: 10725	UBPKT06729
112-1028489-00	KB Home Sacramento Inc	12/17/2018	Refund	\$ 102.00	Check #: 10726	UBPKT06729
112-1028490-00	KB Home Sacramento Inc	12/17/2018	Refund	\$ 102.00	Check #: 10727	UBPKT06729
TOTAL REFUNDS				\$ 2,957.04		

SPMUD BOARD INVESTMENT REPORT
MEETING DATE: January 3, 2019

INVESTMENT		TOTAL FUNDS	Fund 100	Fund 300	Fund 400
			General	CIP & Expansion	Capital Replacement & Rehabilitation
Allocation to Fund Type			22.10%	39.34%	38.56%
CALTRUST	Annual Rate of Return				
Balance at inception		\$ 19,000,000	\$ 4,199,789	\$ 7,474,188	\$ 7,326,023
Cumulative Income	4.06%	\$ 771,572	\$ 170,549	\$ 303,520	\$ 297,503
Cumulative Unrealized Gain/Loss	-2.12%	\$ (402,598)	\$ (88,991)	\$ (158,373)	\$ (155,234)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 19,368,974	\$ 4,281,348	\$ 7,619,334	\$ 7,468,292
Current month income	0.18%	\$ 35,708	\$ 7,893	\$ 14,047	\$ 13,768
Current month Unrealized Gain/Loss	0.06%	\$ 11,316	\$ 2,501	\$ 4,452	\$ 4,363
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 19,415,999	\$ 4,291,742	\$ 7,637,833	\$ 7,486,424
WELLS FARGO - Fixed Income Securities	Actual Rate of Return				
Balance at inception		\$ 18,000,000	\$ 3,978,747	\$ 7,080,810	\$ 6,940,443
Transfers		\$ 4,000,000	\$ 884,166	\$ 1,573,513	\$ 1,542,321
Cumulative Income	4.03%	\$ 724,914	\$ 160,236	\$ 285,166	\$ 279,513
Cumulative Unrealized Gain/Loss	-3.50%	\$ (629,460)	\$ (139,137)	\$ (247,616)	\$ (242,707)
Cumulative Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Cumulative Balance at beginning of month		\$ 22,095,454	\$ 4,884,013	\$ 8,691,872	\$ 8,519,569
Current month income	0.16%	\$ 36,424	\$ 8,051	\$ 14,328	\$ 14,044
Current month Unrealized Gain/Loss	0.10%	\$ 21,565	\$ 4,767	\$ 8,483	\$ 8,315
Current month Realized Gain/Loss	0.00%	\$ -	\$ -	\$ -	\$ -
Market Average/Yield to Worst	1.81%				
TOTALS		\$ 22,153,443	\$ 4,896,831	\$ 8,714,684	\$ 8,541,928
LAIF (Local Agency Investment Fund)	Annual Rate of Return				
Balance		\$ 4,138,080	\$ 914,688	\$ 1,627,831	\$ 1,595,562
Quarterly Interest		\$ -	\$ -	\$ -	\$ -
Withdrawal		\$ -	\$ -	\$ -	\$ -
TOTALS		\$ 4,138,080	\$ 914,688	\$ 1,627,831	\$ 1,595,562
PLACER COUNTY TREASURY	Annual Rate of Return				
Balance		\$ 5,177,179	\$ 1,144,372	\$ 2,036,590	\$ 1,996,218
Monthly Interest July 2018 True-Up	1.71%	\$ 7,500	\$ 1,658	\$ 2,950	\$ 2,892
Monthly Interest August 2018 True-Up	1.82%	\$ 8,027	\$ 1,774	\$ 3,158	\$ 3,095
TOTALS		\$ 5,192,707	\$ 1,147,804	\$ 2,042,698	\$ 2,002,205
SUB-TOTALS		\$ 50,900,229	\$ 11,251,064	\$ 20,023,046	\$ 19,626,119
CHECKING ACCOUNT BALANCE		\$ 2,164,243	\$ 478,387	\$ 851,366	\$ 834,489
GRAND TOTALS		\$ 53,064,471	\$ 11,729,452	\$ 20,874,412	\$ 20,460,608

Investments are in compliance with Policy# 3120 - Investment Policy, and have the ability to meet the next six months of cash flow requirements.

*Please note information presented is current at print time, and may be delayed by approximately 30 days.

ITEM IV.4

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Eric Nielsen, District Engineer
Cc: Carie Huff, Associate Engineer
Subject: Acceptance of the Bill of Sale for Sewer Improvements within the Placer Creek Corporate Center Access Road
Meeting Date: January 3, 2018

Overview

The Placer Creek Corporate Center Access Road improvements are located in Rocklin off University Avenue. The Placer Creek Corporate Center Access Road is an extension of Orchid Drive. The Placer Creek Corporate Center Access Road project consists of sewer infrastructure and a paved roadway; there are no EDUs associated with this project. The Placer Creek Corporate Center Access Road improvements include the following infrastructure:

- Installation of four-hundred and sixteen (416) linear feet of sanitary sewer pipe;
- Installation of one (1) manhole; and
- Installation of One (1) flushing branch.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Placer Creek Corporate Center Access Road improvements.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

- Goal 1.1: Engage Customers to determine expectations.
- Goal 1.2: Establish and meet Service Level(s) by Department.
- Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

The estimated value of the contributed capital is \$164,320.

Attachments:

1. Bill of Sale
2. Map – Placer Creek Corporate Center Access Road
3. Placer Creek Corporate Center Access Road Asset Inventory



**Placer Creek Corporate
Center Access Road**

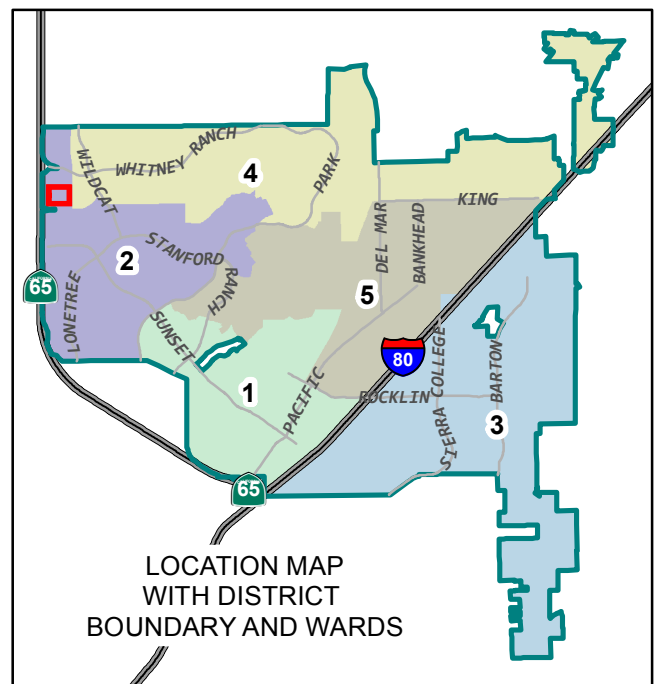
0 92.5 185 Feet
1 in = 185 ft



**Placer Creek Corporate
Center Access Road**

0 EDUs

Date: 12/19/2018
 Author: Curtis Little
 Document Path:
 G:\spmud_gis\mxd\Curtis\Bill Of Sale
 Maps\Placer CCC.mxd



LOCATION MAP
WITH DISTRICT
BOUNDARY AND WARDS

BILL OF SALE

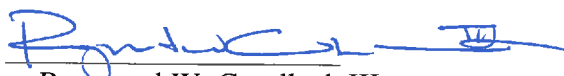
EVERGREEN/ROCKLIN LAND JOINT VENTURE, a California general partnership, does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that project commonly known as PLACER CREEK CORPORATE CENTER ACCESS ROAD.

Grantor herein does hereby warrant and guarantee to SOUTH PLACER MUNICIPAL UTILITY DISTRICT that all of the personal property described herein consisting of sewer pipes, lines, mains, manholes, and appurtenances are free and clear of all mechanics liens and encumbrances of any type, nature or description whatsoever.

Dated as of this 19 day of December 2018.

**EVERGREEN/ROCKLIN LAND JOINT VENTURE, a
California general partnership**

By Evergreen Rocklin, a California general partnership

By: 
Raymond W. Gundlach III,
General Partner

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
PLACER CREEK CORPORATE CENTER ACCESS ROAD
ASSET INVENTORY**

Structure ID	Structure Type	Diameter (in)
N03-098	Manhole	48
N03-F03	Flushing Branch	48

Pipe ID	Diameter (in)	Material	Length (ft)
N03-F03	8	VCP	57.5
N03-098	8	VCP	358.0

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors
From: Eric Nielsen, District Engineer
Cc: Carie Huff, Associate Engineer
Subject: Acceptance of the Bill of Sale for Sewer Improvements within Rocklin Senior Living (Sagora)
Meeting Date: January 3, 2018

Overview

The Rocklin Senior Living (Sagora) improvements are located in Rocklin at the southwest corner of the intersection of University Avenue and Placer Creek Corporate Center Access Road (Orchid Drive). The Rocklin Senior Living (Sagora) project consists of assisted living facilities, independent living facilities and duplex cottages for a total of 178.49 EDUs. The Rocklin Senior Living (Sagora) improvements include the following infrastructure:

- Installation of seven hundred and eight-one (781) linear feet of sanitary sewer pipe; and
- Installation of five (5) manholes.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Rocklin Senior Living (Sagora) improvements.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.1: Engage Customers to determine expectations.

Goal 1.2: Establish and meet Service Level(s) by Department.

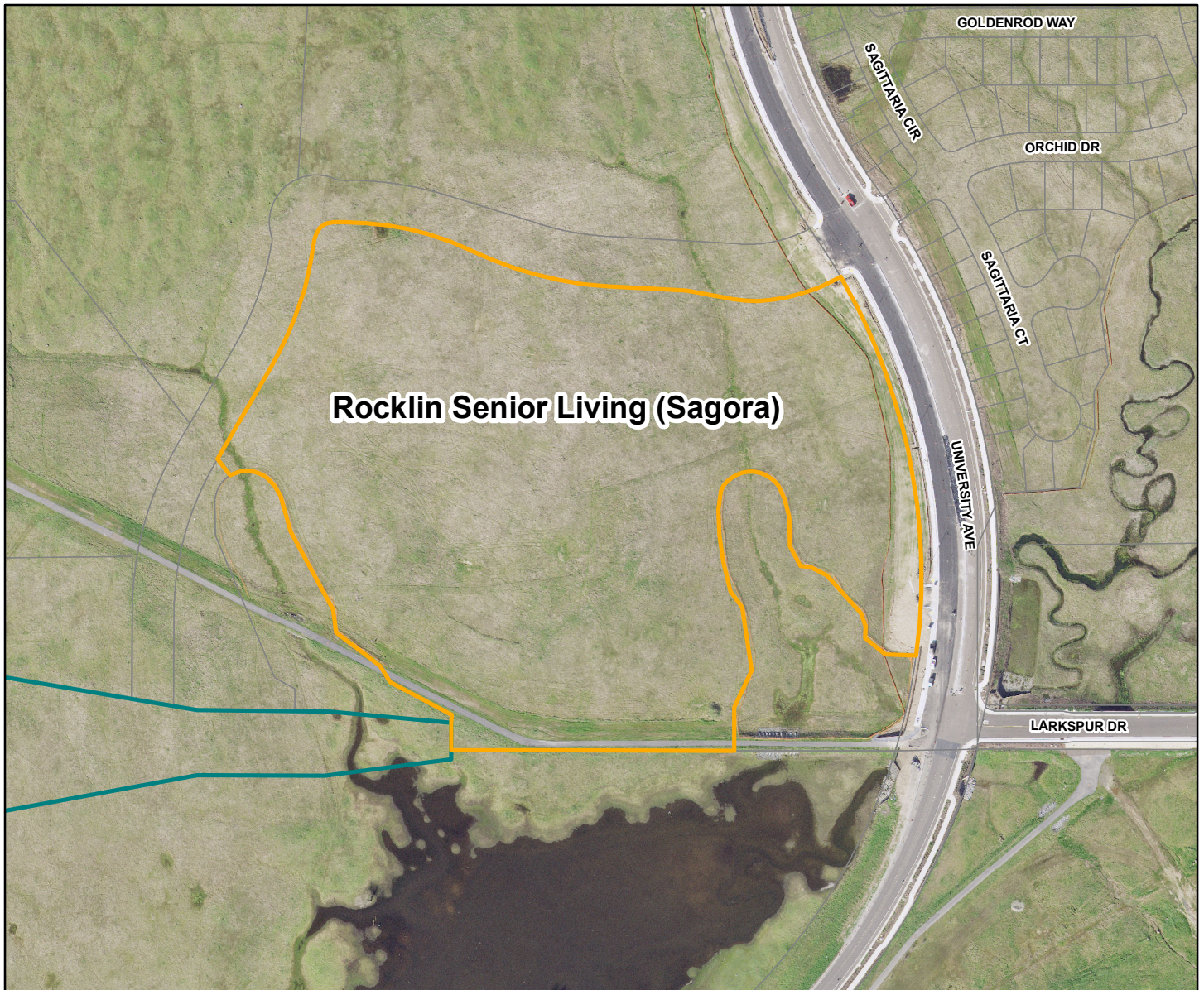
Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

The estimated value of the contributed capital is \$363,203.

Attachments:

1. Bill of Sale
2. Map – Rocklin Senior Living (Sagora)
3. Rocklin Senior Living (Sagora) Asset Inventory



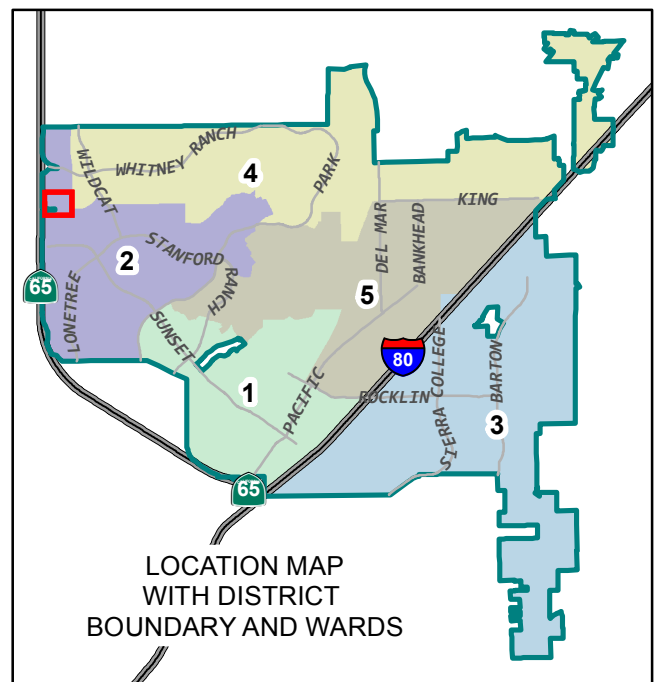
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 1 in = 250 ft



Rocklin Senior Living (Sagora)

178.49 EDUs

Date: 12/19/2018
 Author: Curtis Little
 Document Path:
 G:\spmud_gis\mxd\Curtis\Bill Of Sale
 Maps\Sagora.mxd



LOCATION MAP
 WITH DISTRICT
 BOUNDARY AND WARDS

BILL OF SALE

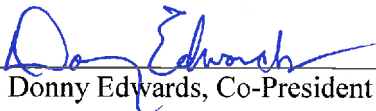
TCG ROCKLIN CAMPUS, LLC, a Delaware limited liability company, does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that project commonly known as Rocklin Senior Living (Sagora)/Ansel Park Senior Living Community.

Grantor herein does hereby warrant and guarantee to SOUTH PLACER MUNICIPAL UTILITY DISTRICT that all of the personal property described herein consisting of sewer pipes, lines, mains, manholes, and appurtenances are free and clear of all mechanics liens and encumbrances of any type, nature or description whatsoever.

Dated as of this 18 day of December 2018.

TCG ROCKLIN CAMPUS, LLC,
a Delaware limited liability company

By: TCG Holdings, L.P., a Texas limited partnership,
Managing Member

By: 
Donny Edwards, Co-President

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
ROCKLIN SENIOR LIVING (SAGORA)
ASSET INVENTORY**

Pipe ID	Diameter (in)	Material	Length (ft)
N03-122	8	SDR26	237.7
N03-121	8	SDR26	182.5
N03-120	8	SDR26	100.1
N03-119	8	SDR26	85.2
N03-118	8	DIP431	157.9

Structure ID	Structure Type	Diameter (in)
N03-118	Manhole	48
N03-119	Manhole	48
N03-120	Manhole	48
N03-121	Manhole	48
N03-122	Manhole	48

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Carie Huff, Associate Engineer

Subject: Acceptance of the Bill of Sale for Sewer Improvements within Whitney Ranch Phase III Unit 42 and 44A

Meeting Date: January 3, 2018

Overview

The Whitney Ranch Phase III Unit 42 and 44A improvements are located in Rocklin at the southwest corner of the intersection of Whitney Ranch Parkway and West Oaks Boulevard. The Whitney Ranch Phase III Unit 42 and 44A project consists of 97 single-family residential homes for a total of 97 EDUs. The Whitney Ranch Phase III Unit 42 and 44A improvements include the following infrastructure:

- Installation of three thousand, four hundred and fifty-four (3,454) linear feet of sanitary sewer pipe; and
- Installation of eighteen (18) manholes.

Recommendation

Staff recommends that the Board of Directors accept the attached Bill of Sale for the Whitney Ranch Phase III Unit 42 and 44A improvements.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 1.1: Engage Customers to determine expectations.

Goal 1.2: Establish and meet Service Level(s) by Department.

Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Fiscal Impact

The estimated value of the contributed capital is \$1,500,763.

Attachments:

1. Bill of Sale
2. Map – Whitney Ranch Phase III Unit 42 and 44A
3. Whitney Ranch Phase III Unit 42 and 44A Asset Inventory

ITEM IV.7



BILL OF SALE

SUNSET RANCHOS INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY does hereby grant, bargain, sell and convey to SOUTH PLACER MUNICIPAL UTILITY DISTRICT all of its rights, title and interest in and to all public sewer pipes, lines, mains, manholes, and appurtenances installed by its contractor in that subdivision/project commonly known as Whitney Ranch Unit 42.

Grantor herein does hereby warrant and guarantee to SOUTH PLACER MUNICIPAL UTILITY DISTRICT that all of the personal property described herein consisting of sewer pipes, lines, mains, manholes, and appurtenances are free and clear of all mechanics liens and encumbrances of any type, nature or description whatsoever.

Dated this December 14, 2018

DEVELOPER/OWNER:

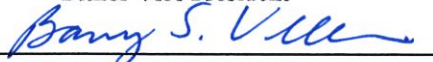
SUNSET RANCHOS INVESTORS, LLC,
a Delaware limited liability company

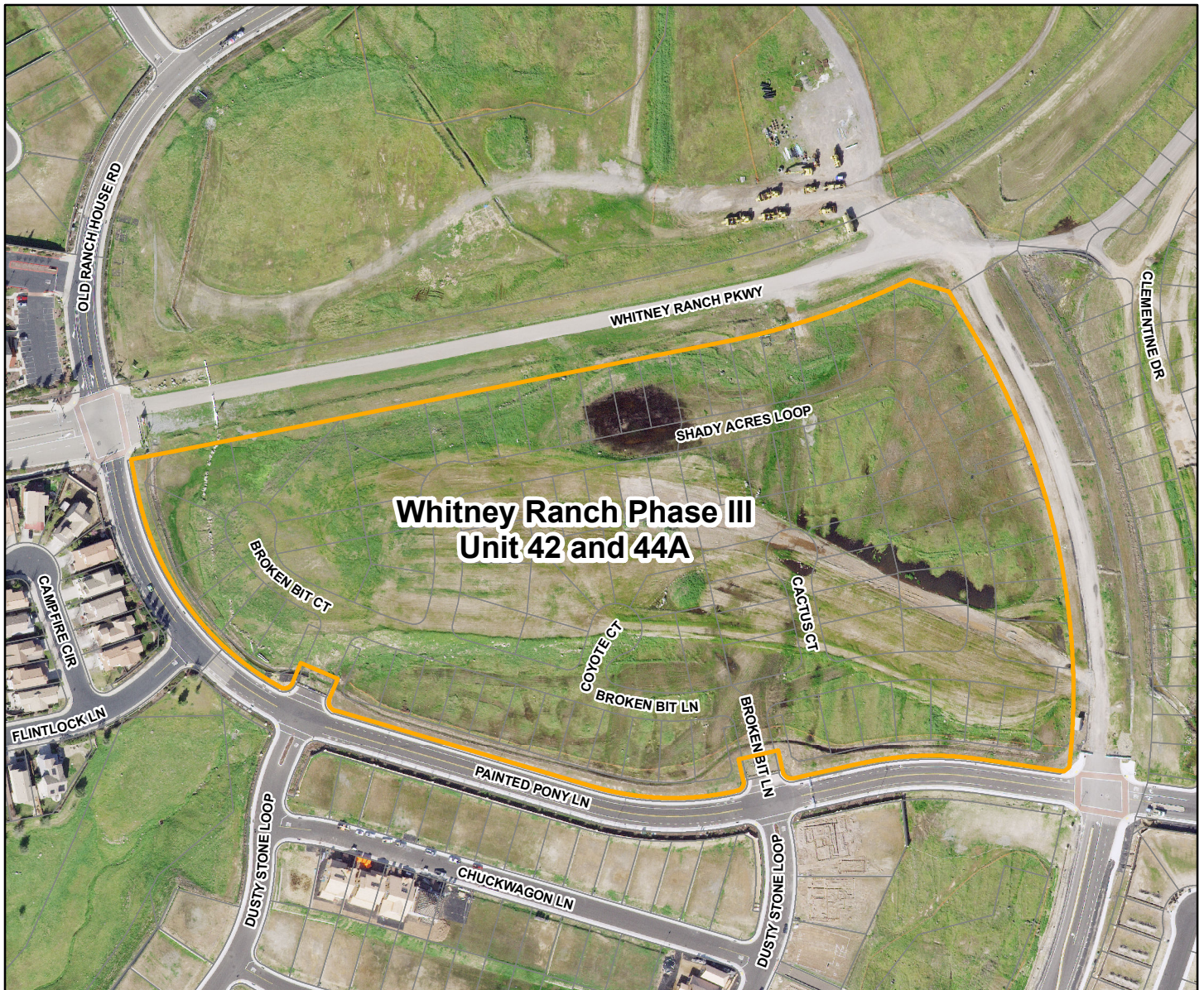
By: Whitney Ranch Venture, LLC,
a Delaware limited liability company
Its sole Member

By: Institutional Housing Partners III L.P.,
a California limited partnership
Its Manager

By: IHP Capital Partners,
a California corporation
Its General Partner

By: 
C. Blaine Peterson
Senior Vice President

By: 
Barry S. Villines
Chief Financial Officer



**Whitney Ranch Phase III
Unit 42 and 44A**

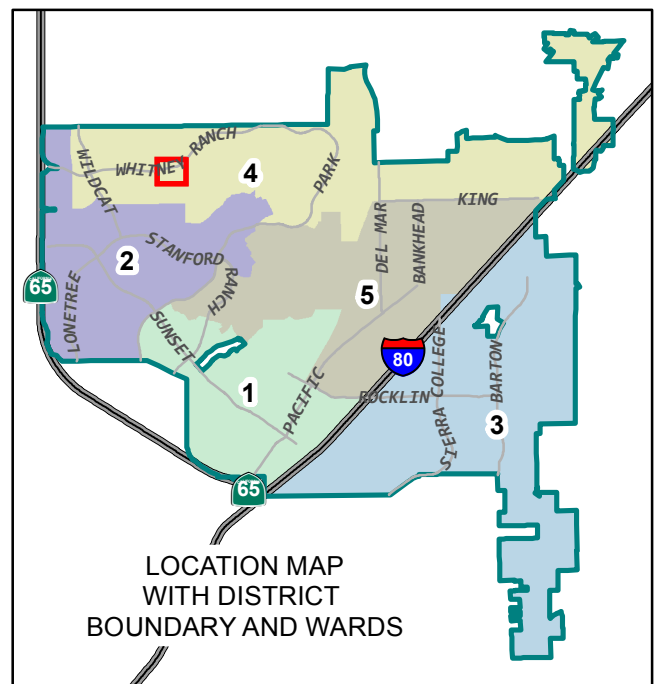
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1 in = 260 ft



**Whitney Ranch Phase III
Unit 42 and 44A**

97 EDUs

Date: 12/19/2018
 Author: Curtis Little
 Document Path:
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 Maps\WRUnit42&44A.mxd



LOCATION MAP
WITH DISTRICT
BOUNDARY AND WARDS

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
WHITNEY RANCH UNIT 42 AND 44A
ASSET INVENTORY**

Pipe ID	Diameter (in)	Material	Length (ft)
O05-106	6	SDR26	213.1
O05-105	6	SDR26	281.8
O05-104	6	SDR26	116.7
O05-103	6	SDR26	257.9
O05-102	6	SDR26	240.6
O05-101	6	SDR26	124
O05-100	6	SDR26	135.9
O05-099	6	SDR26	276.4
O05-098	6	SDR26	113.4
O05-097	6	SDR26	357.2
O05-096	6	SDR26	394.3
O05-095	6	SDR26	275.9
O05-092	6	SDR26	77.1
O05-091	6	SDR26	158.1
O05-094	6	SDR26	232.2
O05-093	6	SDR26	140.8
O05-090	6	SDR26	122.2

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
WHITNEY RANCH UNIT 42 AND 44A
ASSET INVENTORY

Structure ID	Structure Type	Diameter (in)
O05-090	Manhole	48
O05-093	Manhole	48
O05-091	Manhole	48
O05-092	Manhole	48
O05-094	Manhole	48
O05-095	Manhole	48
O05-096	Manhole	48
O05-097	Manhole	48
N05-090	Manhole	48
O05-098	Manhole	48
O05-100	Manhole	48
O05-099	Manhole	48
O05-105	Manhole	48
O05-101	Manhole	48
O05-102	Manhole	48
O05-103	Manhole	48
O05-106	Manhole	48
O05-104	Manhole	48

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Acceptance of the Loomis Diversion Trunkline Project-Resolution #19-02

Meeting Date: January 3, 2019

Overview

The District initiated the study, design, and permitting of the Loomis Diversion Trunkline in June of 2014. The project consists of approximately 7,200 feet of 15-inch and 18-inch diameter trunk sewer. The construction contract was awarded to T&S Construction Company, Inc. (T&S) in June 2017. T&S substantially completed the project in December 2018. T&S completed the items from the punchlist compiled by District staff and the project is ready for District acceptance. A Notice of Completion has been prepared for the project with the assistance of District Legal Counsel. Once executed, the Notice of Completion will be filed at the Placer County Recorder's Office.

Recommendation

Staff recommends that the Board of Directors:

- Accept the improvements constructed as the Loomis Diversion Trunkline Project.
- Adopt Resolution 19-02 authorizing the General Manager to execute the Notice of Completion for the Loomis Diversion Trunkline project.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances.

Goal 3.2: Provide construction management to ensure the best possible facilities for the District.

Attachments:

1. Resolution 19-02 – Resolution of Acceptance of the Loomis Diversion Trunkline Project.
2. Notice of Completion – Loomis Diversion Trunkline Project

ITEM IV.8

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 19-02

ACCEPTANCE OF THE LOOMIS DIVERSION TRUNKLINE PROJECT

WHEREAS, the South Placer Municipal Utility District (SPMUD) awarded the construction contract for Loomis Diversion Trunkline Project (Project) in June of 2017 to T&S Construction Company Inc. (T&S), and

WHEREAS, T&S constructed the Project per SPMUD standards and met the requirements of the contract documents.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the South Placer Municipal Utility District to:

1. Accept the improvements constructed as the Loomis Diversion Trunkline Project.
2. Authorize the General Manager to execute the Notice of Completion for the Loomis Diversion Trunkline Project.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 3rd day of January 2019.

Signed: _____
James T. Williams, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

Recording Requested By
And Return To:

South Placer Municipal
Utility District
5807 Springview Drive
Rocklin, CA 95677

No Fee per Government
Code § 6103 and 27383

NOTICE OF COMPLETION

Notice is given by the SOUTH PLACER MUNICIPAL DISTRICT (the "District"), a public agency, 5807 Springview Drive, Rocklin California 95677, that the work known as SOUTH PLACER MUNICIPAL UTILITY DISTRICT/ Loomis Diversion Trunkline Project (6119 Horseshoe Bar Road, Loomis, CA to 4387 Dias Lane, Loomis, CA) was considered by the District to be completed on the 6th day of January, 2019. The undersigned caused the work to be performed and the contract was made with T&S Construction Co., Inc. (6108 Hedge Avenue, Sacramento, CA 95829), to construct approximately 7,160 lineal feet of 15- and 18-inch of nominal pipe diameter of gravity sanitary sewer pipeline and appurtenances. The surety for said Contractor is Travelers Casualty and Surety Co. of America, (One Tower Square, Hartford, CT, 06183). Said work is situated in the Town of Loomis, Placer County, State of California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Rocklin, California, this ____ day of _____, 20____.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Herb Niederberger, General Manager

[Attach notary acknowledgment]

PROOF OF SERVICE DECLARATION

I, Eric Nielsen, declare that I served copies of the above NOTICE OF COMPLETION,

- a) By personally delivering copies to _____ at _____ on _____, _____, at _____, _____ AM/PM.
- b) By Registered of Certified Mail, Express Mail or Overnight Delivery by an express service carrier, addressed to each of the parties at the address shown above on January 4, 2019.
- c) By leaving the notice and mailing a copy in the manner provided in § 415.20 of the California Code of Civil Procedure for service of Summon and Complaint in a Civil Action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Rocklin, California, this 4 day of January, 2019.

Signature of Person Making Service

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors

From: Eric Nielsen, District Engineer

Cc: Herb Niederberger, General Manager

Subject: Reimbursement Agreement for Engineering Services for the Rocklin Road – Pacific Street Roundabout Project - Resolution #19-03

Meeting Date: January 3, 2019

Background

The City of Rocklin (City) is permitting and designing improvements known as the Rocklin Road at Pacific Street Roundabout Project (Project). The South Placer Municipal Utility District (District) owns and operates sewer mains within the proposed scope of the Project. Those sewer mains were constructed in 1958 as part of the District’s original collection system. One of the sewer mains has multiple sags and needs to be cleaned by District crews every three months. This intersection is one of the busier intersections in the District and makes access for maintenance and repair challenging.

The District has coordinated with the City of Rocklin to prepare an agreement to include the replacement of District facilities as part of the City’s Rocklin Road at Pacific Street Roundabout Project. Coordinating the sewer work with the improvements to the intersection has the benefits of lessening the impact to the public due to closures for multiple projects, efficiently using funds, and lessening the chance of disturbing new pavement after the roundabout project is complete.

The City is requesting a reimbursement agreement from the District for the engineering services required to design and incorporate the replacement of the District-identified sewer mains in the construction plans. The estimate provided by the City’s engineer is \$11,000 (see attached fee schedule). While this amount is within the General Manager’s spending limit stated in the Purchasing Policy No. 3150, the construction cooperation agreement that follows will require Board authorization. As such, staff is forwarding the design costs to the Board, with the understanding that the forthcoming construction cooperation agreement will compel the District to participate in the Roundabout Project. The District budgeted for this potential project under “Participation in Regional Projects”.

The District and City anticipate entering a construction cooperation and reimbursement agreement at a future date when the construction documents are finished, and the City plans to bid the project. That agreement will be required to meet the City’s requirements for funding and will define the reimbursable amount for the construction of the sewer replacement.

ITEM IV.9

Recommendation

Staff recommends that the Board approve Resolution 19-03 authorizing the General Manager to sign a reimbursement agreement on behalf of the District, subject to the final approval of the District Legal Counsel.

Strategic Plan Goal

This action is consistent with SPMUD Strategic Plan Goals:

- Goal 1.1: Engage stakeholders... and deliver excellent customer service.
- Goal 3.2: Ensure the best possible facilities for the District.
- Goal 4.2: Prevent and mitigate sanitary sewer overflows (SSOs).

Related District Ordinances and Policies

This action relates to the following SPMUD Ordinances and Policies:

- Policy 3150: Purchasing Policy

Fiscal Impact

The not-to-exceed amount for this agreement is \$11,000. The current budget for participation in other-agency projects is sufficient to accommodate this reimbursement amount.

Attachments:

1. Resolution No. 19-03 – Reimbursement Agreement with the City of Rocklin for Engineering Services to Design the Sewer Replacement within the Rocklin Rd - Pacific St Roundabout Project
2. Fee Schedule for Engineering Services Related to the Design of the Sewer Replacement.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 19-03

**REIMBURSEMENT AGREEMENT WITH THE CITY OF ROCKLIN
FOR ENGINEERING SERVICES TO DESIGN THE SEWER REPLACEMENT WITHIN THE
ROCKLIN RD-PACIFIC ST ROUNDABOUT PROJECT**

WHEREAS, the City of Rocklin (City) is preparing construction documents for a roundabout at the intersection of Rocklin Road and Pacific Street (Project), and

WHEREAS, the South Placer Municipal Utility District (District) owns sewer facilities within the limits of work of the Project that were constructed when the District was founded, and

WHEREAS, replacing sewer facilities during the construction of the roundabout will reduce the impact to the public, correct deficiencies in the sewer that require frequent maintenance, and decrease the risk of repairs to the sewer after the surface improvements are complete, and

WHEREAS, the estimated cost for engineering service to design the replacement sewer facilities is \$11,000, and

WHEREAS, the City requested a reimbursement for the engineering costs related to the sewer design.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the South Placer Municipal Utility District to:

1. Authorize the General Manager to enter an agreement, subject to final review and approval by the District Legal Counsel, to reimburse the City for the engineering costs to design the replacement of sewer facilities.

PASSED AND ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 3rd day of January 2019.

Signed: _____
James T. Williams, President of the Board of Directors

Attest: _____
Joanna Belanger, Board Secretary

Rocklin Road at Pacific Street Roundabout Budget to Accompany Amendment A03 (SPMUD)							Total KH Hours	Total KH Cost
		Project Manager	Senior Professional	Professional	Analyst	Admin Support		
		\$235.00	\$195.00	\$155.00	\$110.00	\$95.00		
	Finalize Design & Prepare Bid Documentation	2	16	19	38	3	78	\$ 11,000.00
	Project Coordination with SPMUD	2	2			3	7	\$ 1,145.00
	Draft 100% Plans for SPMUD facilities		5	10	25		40	\$ 5,275.00
	Draft 100% Cost Estimate for SPMUD facilities		1	2	2		5	\$ 725.00
	Draft 100% Specifications for SPMUD facilities		2				2	\$ 390.00
	Final Plans for SPMUD facilities		4	6	10		20	\$ 2,810.00
	Final Cost Estimate for SPMUD facilities		1	1	1		3	\$ 460.00
	Final 100% Specifications for SPMUD facilities		1				1	\$ 195.00
	TOTAL HOURS	2	16	19	38	3	78	
	Subtotal Labor:	\$ 470.00	\$ 3,120.00	\$ 2,945.00	\$ 4,180.00	\$ 285.00		\$ 11,000.00
	Other Direct Costs							\$ -
								\$ -
	TOTAL COST:							\$ 11,000.00

SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT

To: Board of Directors
From: Herb Niederberger, General Manager
Cc: Joanna Belanger, Administrative Services Manager
Subject: **Selection of Officers and Appointments to the Temporary Advisory Committees and SPWA Board**
Meeting Date: January 3, 2019

Overview

Every January, the Board of Directors chooses a President and Vice-President, as well as considers appointments to the temporary Advisory Committees. In accordance with Policy 4055, the Vice President shall become President, and a new Vice-President shall be chosen by a majority vote of the Board of Directors. The three (3) remaining Directors will serve At-Large

Recommendation

Staff recommends that:

1. The current President, Jerry Mitchell, dissolve the existing advisory committees;
2. The current Vice-President, Jim Williams, succeed as the new President for 2019;
3. The Board of Directors consider nominations for a new Vice-President, entertain a motion for a nominee and vote on said motion; and
4. The President create and make appointments to any new temporary advisory committees; and
5. The President appoint a District representative to the South Placer Wastewater Authority Board of Directors.

Strategic Plan Goals

The annual appointment of the Board President, Vice-President and temporary advisory committees are not governed by the Strategic Plan.

Related District Ordinances or Policies

Policy 4055- Selection of Officers.

Fiscal Impact

There is no direct fiscal impact associated with these actions.

ITEM VI.2

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
STAFF REPORT**

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Sam Rose, Superintendent
Eric Nielsen, District Engineer
Joanna Belanger, Administrative Services Manager

Subject: Adoption of Resolution No. 19-01 – Authorizing the Second Amended and Restated SPWA JPA, Funding and Operations Agreements

Meeting Date: Jan 3, 2019

Overview

On October 1, 2012, the South Placer Municipal Utility District (District), along with its partner agencies, the City of Roseville and the County of Placer, executed an Amended and Restated Joint Exercise of Power Agreement (JPA) for the South Placer Wastewater authority (SPWA). After the formation of the JPA (circa 2000), it became apparent that the growth in the County was not occurring as anticipated. Over the same timeframe, wastewater characteristics changed resulting in a lower amount treatment capacity available for the JPA members to use. These changes in conditions were anticipated when the JPA was formed, as was the responsibility of the partner agencies to respond to these changed conditions. The original agreements and formation principles are working as planned to respond to the significant changes to the economy and the financial markets.

Staff from the Authority partners have been developing a methodology to address the underfunding of one of the partners. In a collaborative effort, staff from the respective agencies developed a “reallocation model” that redistributes debt liability incurred since the Joint Powers Authority (JPA) was formed. The requested actions before the Board of Directors are to formalize the agreed upon methodology and modify the current agreements to reflect the outcome of the collaborative effort. The Board will act on three agreements as discussed in this staff report: 1) Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.; 2) Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and 3) Second Amended and Restated Agreement regarding the Operations and Use of the South Placer Regional Wastewater Facilities.

The following provides a detailed summary of changes made in each agreement and what changes were incorporated into the existing agreements and how these changes financially impact a new reallocation and repayment plan.

Second Amended and Restated JPA Agreement

- Changes all references to the “Treasurer and Auditor of the City of Roseville” to the City’s “Chief Financial Officer.” No other changes made.
- Minor housekeeping changes such as notifications, signatories and titles.

Second Amended and Restated Funding Agreement

ITEM VI.3

- Memorializes, among other things, (i) the reallocation of the parties' Proportionate Shares, (ii) the modification of provisions concerning future capacity usage, and (iii) the City's assumption of responsibility for the reclaimed/recycled water infrastructure;
- Memorializes, among other things, a requirement for each Partner to contribute to the Rate Stabilization Fund annually, as necessary, to alleviate any individual Rate Stabilization Fund deficits.
- Defines Reclaimed Water and Recycled Water. Reclaimed Water is interchangeable with Recycled Water.
- Reallocates wastewater treatment capacity among the JPA Participants and establishes a maximum capacity usage for each Participant set forth in Table below:

Table 1 WWTP Treatment Capacity Allocation Average Dry Weather Flow Millions of Gallons per Day				
	2015-2017 Average Treatment Capacity	Remaining Treatment Plant Capacity	Allocated Treatment Capacity	Percentage of Total Treatment Capacity
City	9.94	2.72	12.66	60.29%
District	4.34	1.07	5.41	25.76%
County	1.56	1.37	2.93	13.95%
Total	15.84	5.16	21.00	100.00%

- The Participants acknowledge and agree that the as-built ultraviolet disinfection capacity for the Regional Wastewater Facilities (33mgd) exceeds the total wastewater treatment capacity (21 mgd)
- The City's assumption of all responsibility for the existing reclaimed/recycled water infrastructure costs (\$13.1M)
- Each Participant's Proportionate Share shall be as follows:
City: 64.57%
County: 13.48%
District: 21.95%
- The 2012 Funding Agreement Proportionate Shares incorporated a disproportionate share of excess UV capacity to the County. The foregoing Proportionate Shares have been revised in this Agreement to account for a reallocation of UV cost percentages to match the treatment capacity cost percentages and to account for total debt liability, which includes recycled water costs. Please see Attachment 5 to this Staff Report. As of the date of this Agreement, any overpayments or underpayment as a result of this revision made by the Participants shall be applied to the associated Participants Rate Stabilization Fund sub-account balance. Please see Attachments 6 and 7 to this Staff Report.
- Any Participant that enters a Rate Stabilization Fund deficit in any fiscal year due to addition of fewer EDUs than what that Participant had projected shall contribute an amount equal to that Participants' deficit to the Rate Stabilization Fund at the end of that fiscal year to alleviate the Rate Stabilization Fund deficit.
- Minor housekeeping changes such as notifications, signatories and titles.

Second Amended and Restated Operations Agreement

- The Participants have met and evaluated existing ordinances to (1) incorporate provisions enforcing I&I reductions, and (2) ensure uniform methods of categorizing and calculating the Regional Connection Fee.
- Eliminates references to Sabre City in the County's Service Area

- Eliminated the delivery of reclaimed water within the County’s Service Area.
- Minor housekeeping changes such as notifications, signatories and titles.

Recommendation

Staff recommends that the Board of Directors adopt a resolution authorizing the District’s representative on the SPWA Board to vote to approve the following agreements and authorize the General Manager to execute said agreements on behalf of the District.

- 1) Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.;
- 2) Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and
- 3) Second Amended and Restated Agreement regarding the Operations and Use of the South Placer Regional Wastewater Facilities.

Strategic Plan Goals

This action is consistent with the following Strategic Plan Goals

Goal 5.3: Maintain financial responsibility by ensuring allocated funding sources are adequate to meet expenses; and that available funds and resources are managed efficiently.

Fiscal Impact

Reallocation of UV cost percentages to match the treatment capacity cost percentages (from 26.54% to 24.61%) which includes recycled water costs will reduce the District’s overall responsibility from 22.43% to 21.95%. Please see Attachment 5 to this Staff Report. The revised accounting of the District’s Sub-Account in the Authorities Rate Stabilization Fund (as of Aug 31, 2018) will increase by \$1,262,876 (from \$53,167,271 to \$54,430,147). Please see Attachments 6 and 7 to this Staff Report.

Attachments:

- pg. 38 1. Resolution 19-01 Authorizing the Districts representative to the SPWA Board to authorizing the District’s representative on the SPWA Board to vote to approve the 2nd Amendment to the JPA Agreement, the 2nd Amendment to the Funding Agreement, and the 2nd Amendment to the Operations Agreement, and authorize the General Manager to execute said agreements on behalf of the District.
- pg. 40 2. Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.;
- pg. 59 3. Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and
- pg. 99 4. Second Amended and Restated Agreement regarding the Operations and Use of the South Placer Regional Wastewater Facilities.
- pg. 141 5. Reallocation of Excess UV Treatment Capacity Calculation
- pg. 142 6. Participants Rate Stabilization Fund balance (without amended Funding Agreement)
- pg. 143 7. Participants Rate Stabilization Fund balance (with amended Funding Agreement)

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

RESOLUTION NO. 19-01

AUTHORIZING THE SECOND AMENDED AND RESTATED JOINT EXERCISE OF POWERS, FUNDING AND OPERATIONS AGREEMENTS FOR THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES

WHEREAS, on October 1, 2012, the South Placer Municipal Utility District (District), along with its partner agencies, the City of Roseville and the County of Placer, executed an Amended and Restated Joint Exercise of Power Agreement (JPA) for the South Placer Wastewater authority (SPWA); and

WHEREAS, after the formation of the JPA (circa 2000), it became apparent that the growth in the County was not occurring as anticipated while over the same timeframe, wastewater characteristics changed resulting in a lower amount treatment capacity available for the JPA members to use. These changes in conditions were anticipated when the JPA was formed, as was the responsibility of the partner agencies to respond to these changed conditions; and

WHEREAS, the Authority partners have been developing a methodology to address the underfunding of one of the partners, and in a collaborative effort, the respective agencies have developed a “reallocation model” that redistributes debt liability incurred since the Joint Powers Authority (JPA) was formed; and,

WHEREAS, the respective staffs of the JPA partner agencies seek to formalize the agreed upon methodology and modify the current agreements to reflect the outcome of the collaborative effort and requests that the partner agencies act on three agreements: 1) Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.; 2) Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and 3) Second Amended and Restated Agreement regarding the

Operations and Use of the South Placer Regional Wastewater Facilities.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the South Placer Municipal Utility District authorize the District's representative to the SPWA Board to vote approval and the District's General Manager be authorized to sign the following agreements:

- 1) Second Amended and Restated Joint Exercise of Powers Agreement for the South Placer Regional Wastewater Facilities.;
- 2) Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities.; and
- 3) Second Amended and Restated Agreement regarding the Operations and Use of the South Placer Regional Wastewater Facilities.

PASSED and ADOPTED at a Regular Meeting of the South Placer Municipal Utility District Board of Directors at Rocklin, CA this 3rd day of January 2019.

Signed:

James T. Williams, President of the Board of Directors

Attest:

Joanna Belanger, Board Secretary

**SECOND AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
FOR THE
SOUTH PLACER WASTEWATER AUTHORITY**

THIS SECOND AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (the “Agreement”) is made effective as of the 31st day of January, 2019, by and among the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “City”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “District”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “County”).

RECITALS

- A. WHEREAS, the City, the District, and the County have the common powers to acquire real property and to plan, finance, acquire, construct, own, and operate wastewater facilities; and
- B. WHEREAS, the City, the District, and the County have determined that the public interest will be served by the joint exercise of these powers through this Agreement and the creation of a joint powers authority with the power to plan for, finance, acquire, construct, own and operate Regional Wastewater Facilities; and
- C. WHEREAS, the City, the District, and County desire to amend the Amended and Restated Joint Exercise of Powers Agreement entered into on October 1, 2012 and concurrently herewith, will enter into the Funding Agreement and the Operations Agreement (both defined hereinafter), to provide for the funding and operation of the Regional Wastewater Facilities; and
- D. WHEREAS, the parties desire to amend this Agreement to conform the provisions hereof to the provisions of the above-referenced amended and restated agreements.

NOW THEREFORE, the parties hereto agree as follows:

AGREEMENT

1. Definitions. Words and phrases used in this Agreement shall have the meanings set forth below. Words and phrases used in common with the Funding Agreement shall have the meanings ascribed to them in the Funding Agreement, as the same may be amended from time to time. The current Funding Agreement definitions are set forth in **Exhibit A**, which Exhibit will automatically be deemed to have been amended upon any future amendments to the Funding Agreement.

Authority is defined in Section 3.

Board is defined in Subsection 7.a.

City is defined in the preamble.

County is defined in the preamble.

District is defined in the preamble.

Dry Creek Plant is defined in the Funding Agreement.

Funding Agreement means the Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities among the Authority and the Participants dated of even date herewith.

Law is defined in Section 2 hereof.

Operations Agreement means the Second Amended and Restated Agreement regarding the Operation and Use of the South Placer Regional Wastewater Facilities among the Authority and the Participants dated of even date herewith.

Participant is defined in the Funding Agreement.

Pleasant Grove Plant is defined in the Funding Agreement.

Regional Connection Fees is defined in the Funding Agreement.

Regional Wastewater Facilities is defined in the Funding Agreement.

Related Regional Infrastructure is defined in the Funding Agreement.

2. Authority and Purpose. This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (commencing with section 6500) (the “Law”) relative to the joint exercise of powers common to the Participants. The purpose of this Agreement is to provide for the planning, financing, acquisition, ownership, construction, and operation of Regional Wastewater Facilities.

3. Creation of Authority and Jurisdiction. The Participants hereby amend and restate the agreement, dated October 1, 2000, that created the South Placer Wastewater Authority (“Authority”), a public entity separate from the City, the District, and the County. The jurisdiction of the Authority shall be the service areas served by Regional Wastewater Facilities, as those areas may be modified from time to time.

4. Term and Termination. This Agreement shall be effective as of the date first above written. It shall remain in effect until terminated in accordance with the Law by two (2) or more of the Participants; provided, however, that this Agreement may not be terminated, and no Participant may withdraw its membership, until all bonds or other instruments of indebtedness issued by the Authority, if any, have been paid in full.

5. Powers. The Authority shall have all powers necessary or reasonably convenient to carry out the purposes stated in Section 2, including, but not limited to, the following:

- a. to secure administrative office space and furnishings;
- b. to make and enter into contracts;
- c. to contract for, or employ, administrative, technical and support staff, and consultants and contractors of any kind;
- d. to acquire and maintain insurance of all types;
- e. to lease, acquire, hold, or dispose of real property by negotiation, dedication, or eminent domain;
- f. to lease, acquire, operate, maintain and dispose of materials, supplies, and equipment of all types;
- g. to construct and operate buildings and facilities of any kind, including, without limitation, Regional Wastewater Facilities;
- h. to accept, hold, invest (pursuant to the Law, including, without limitation, section 6509.5 thereof), manage, and expend monies;
- i. to levy fees and taxes, to enter into lease purchase agreements, and to issue bonds and incur other forms of indebtedness, as provided for in the Law, including, without limitation, sections 6547, 6547.1, 6547.5, and 6547.6 thereof, or any other applicable law;
- j. to form a special assessment district under any legal authority that exists now or in the future, including, without limitation, the Improvement Act of 1911 (Streets & Highways Code section 5000 *et seq.*), the Municipal Improvement Act of 1913 (Streets & Highways Code section 10000 *et seq.*), the Improvement Bond act of 1915 (Streets & Highways Code section 8500 *et seq.*), or any other authority that exists now or in the future;
- k. to form a special tax district under the Mello-Roos Community Facilities District Act or any other authority that may exist now or in the future;
- l. to negotiate and enter into reimbursement agreements when monies to construct Regional Wastewater Facilities are available;

- m. to sue and be sued; and
- n. to exercise all powers incidental to the foregoing.

6. Duties. The Authority shall have the duty to do the following within the times specified or, if no time is specified, within a reasonable time:

- a. to retain legal counsel for all Authority business, including litigation;
- b. to evaluate the need for, and acquire and maintain if necessary, liability, errors and omissions, or other insurance;
- c. to finance Regional Wastewater Facilities; and
- d. to conduct an annual audit as required by the provisions of Subsection 7.d(3).

7. Administration.

a. Governing Board -- Membership. The Authority shall be administered by a board of directors ("Board") consisting of five directors. Two directors shall be appointed by the City, one director shall be appointed by the District, and two directors shall be appointed by the County. One County-appointed director shall be a member of the County Board of Supervisors and must represent a supervisorial district which includes all or a portion of the City of Roseville; such County-appointed director shall be selected annually by the County Board of Supervisors, and shall be subject to confirmation by the Roseville City Council.

b. Meetings.

(1) Regular Meetings. The Board shall by resolution establish the number of regular meetings to be held each year and the date, hour and location at which such regular meetings shall be held; provided, that the Board shall meet at least once every six (6) months.

(2) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of the Ralph M. Brown Act (California Government Code section 54950 *et seq.*).

(3) Conduct of Meetings. All meetings of the Board shall be held in accordance with the Ralph M. Brown Act (California Government Code section 54950 *et seq.*).

(4) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board, and to the City, District, and County.

(5) Quorum. Three (3) directors of the Board shall constitute a quorum for the transaction of business. Except as provided in Section 8, actions of the Board shall require the affirmative vote of a majority of the entire Board (i.e., three (3) affirmative votes).

c. Procedures.

(1) The Board shall elect a chair from among its membership to preside at meetings and shall select a secretary who may, but need not, be a member of the Board. The Board may, from time to time, elect such other officers as the Board shall deem necessary or convenient to conduct the affairs of the Authority.

(2) The Board may adopt by resolution rules of procedure, not inconsistent with the provisions of this Agreement, to govern the conduct of its meetings.

(3) Members of the Board shall comply with Title 9 of the California Government Code, commencing with section 81000 (Political Reform Act of 1974).

d. Fiscal Matters.

(1) Chief Financial Officer.

(A) Except as provided in Subsection (B), below, the Chief Financial Officer of the City, respectively, is designated as the Chief Financial Officer of the Authority with the powers, duties, and responsibilities specified in the Law, including, without limitation, sections 6505 and 6505.5 thereof.

(B) In lieu of the designations in Subsection (A), above, the Board may appoint one or more of its employees to the position of Chief Financial Officer as provided in the Law, including, without limitation, section 6505.6 thereof.

(2) Custodian of Property. The Chief Financial Officer of the Authority shall be the public officers who have charge of, handle, and have access to, the Authority's property and shall file with the Authority an official bond in the amount set by the Board.

(3) Accounts and Reports. The Board shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times to the County, the City and the District, and their respective representatives. The accounts shall be prepared and maintained by the Chief Financial Officer of the Authority. The Authority, within one hundred twenty (120) days after the close of each fiscal year, shall cause an independent audit of all financial activities for such fiscal year to be prepared by an independent certified public accountant employed by the Authority. The Authority shall promptly deliver copies of the audit report to the Participants.

(4) Budgets. The Board shall adopt a budget no later than ninety (90) days after the effective date of this Agreement and no later than June 30th of each year thereafter.

(5) Contributions. The Participants shall pay to the Authority the contributions to be specified in the Funding Agreement.

8. Voting. Notwithstanding Subsection 7.b, the following actions may only be taken as set forth below:

- a. The affirmative vote of at least four (4) Board members is required to set reserves, or authorize expenditures, for future expansions of Regional Wastewater Facilities.
- b. The affirmative vote of at least five (5) Board members is required:
 - (1) to authorize the issuance and sale, refinancing, or early redemption, of bonds; or
 - (2) to impose fees or assessments (other than the Regional Connection Fee), levy taxes, or order the formation of an assessment or special district.

9. Exercise of Powers. The powers and duties which (a) are common to the Participants, and (b) are vested in the Authority only by virtue of this Agreement, and are not independent powers and duties which arise by virtue of the Law, shall be exercised and carried out subject only to such restrictions upon the manner of exercising such powers or carrying out such duties as are imposed upon the City of Roseville in the exercise of similar powers or in carrying out similar duties, as provided in section 6509 of the Law.

10. Fiscal Year. The fiscal year of the Authority shall be the period from July 1st of each year to and including the following June 30th.

11. Debts, Liabilities and Obligations. The debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of the County, the City, or the District, either jointly or severally.

12. Liability of Board, Officers and Employees.

a. The members of the Board, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the Participants for any mistake of judgment or other action made, taken, or omitted by them in good faith, nor for any action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Authority's funds, or failure to invest the same.

b. To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any

other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement, except as provided in Subsection 7.d(2).

c. The funds of the Authority shall be used to defend, indemnify, and hold harmless the Authority and any member of the Board, officer, or employee of the Authority for actions taken in good faith and within the scope of his or her authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide coverage for the foregoing indemnity.

13. Liberal Construction. The provisions of this Agreement shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

14. Disposition of Property. Upon termination of this Agreement, the Authority shall convey all assets of the Authority to the City. Thereafter, the City shall use such assets of the Authority for the benefit of the City, District and County, as set forth in the Operations Agreement and the Funding Agreement.

15. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

16. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Participants. No Participant may assign any rights or obligations hereunder without the consent of the other Participants; provided, further, that no such assignment may be made if it would materially and adversely affect (a) the rating of bonds issued by the Authority, or (b) bondholders holding such bonds.

17. Amendments. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any bonds of the Authority are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of the bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

18. Notices. Any notices to Participants required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

Notices under this Agreement shall be deemed given and received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any Participant may amend its address for notice by notifying the other Participants.

19. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Participants have entered into this Agreement effective as of the date first above written.

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____

Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____

Adam Brown
District Counsel

ATTEST:

BY: _____

Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

Funding Agreement Definitions (as of January 1, 2019)

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design,

acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals, legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond Buyer* over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in

substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU's means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the definition of EDU's in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent with regards to land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the "Pleasant Grove

Wastewater Treatment Plant.”

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant’s Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant’s Proportionate Share of Debt Service, less the sum of (a) such Participant’s Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority’s behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants’ industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville

Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. "Related Regional Infrastructure" shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant's Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term "Trustee" shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant's System and the Regional Wastewater Facilities, exclusive of Regional Connection

Fees and Local Connection Fees.

**SECOND AMENDED AND RESTATED
FUNDING AGREEMENT
RELATING TO THE
SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

Dated January 2019

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**SECOND AMENDED AND RESTATED
FUNDING AGREEMENT
RELATING TO THE
SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

THIS SECOND AMENDED AND RESTATED FUNDING AGREEMENT (the “Funding Agreement” or “Agreement”) is made effective as of the 31st day of January, 2019, by and among the **SOUTH PLACER WASTEWATER AUTHORITY**, a joint powers agency (“Authority”), the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “City”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “District”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “County”).

RECITALS

- A. WHEREAS, effective October 1, 2000, the parties hereto entered into that certain “Joint Exercise of Powers Agreement for the South Placer Wastewater Authority” (the “JPA Agreement”), which JPA Agreement created the Authority; and
- B. WHEREAS, effective October 1, 2000, the parties hereto entered into the first Funding Agreement Relating to the South Placer Wastewater Facilities (the “Original Funding Agreement”), which Original Funding Agreement provided for (1) the capital funding necessary for the planning, permitting, design, acquisition, and construction of Regional Wastewater Facilities, and (2) the parties’ respective rights to use Regional Wastewater Facilities; and
- C. WHEREAS, the parties hereto amended and restated the Original Funding Agreement on October 1, 2012 to memorialize, among other things, (i) the reallocation of the parties’ Proportionate Shares, (ii) the modification of provisions concerning future capacity usage, and (iii) the City's assumption of responsibility for the reclaimed/recycled water infrastructure; and
- D. WHEREAS, the parties hereto desire to amend and restate the October 1, 2012 Funding Agreement to memorialize, among other things, (i) the reallocation of the parties’ Proportionate Shares and (ii) a requirement for each Partner to contribute to the Rate Stabilization Fund annually, as necessary, to alleviate any individual Rate Stabilization Fund deficits. The parties intend that this Agreement shall supersede and replace the Original Funding Agreement and the October 1, 2012 Funding Agreement, and that this Agreement, the JPA Agreement and the Operations Agreement (defined below), shall

supersede and replace the Other Superseded Agreements (defined below), except for Sections 5 through 13 of the Settlement Agreement (defined below).

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Definitions. Words and phrases used in this Agreement shall have the following meanings:

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design, acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals, legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond*

Buyer over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU’s means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the

definition of EDU's in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent as regards land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or

County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which

Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated

by the City for the mutual benefit of the Participants and known as the “Pleasant Grove Wastewater Treatment Plant.”

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant’s Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant’s Proportionate Share of Debt Service, less the sum of (a) such Participant’s Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority’s behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working

order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants' industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. "Related Regional Infrastructure" shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant's Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term "Trustee" shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant's System and the Regional Wastewater Facilities, exclusive of Regional Connection Fees and Local Connection Fees.

2. Purpose and Intent of Agreement.

a. The purpose and intent of this Agreement is to (1) allocate Capital Costs; (2) allocate the Participants' individual financial responsibility for payment of Debt Service; (3) allocate the Participants' use of the wastewater treatment capacity of the Regional Wastewater Facilities, and (4) provide assurance to the purchasers of Bonds regarding the availability of Participant Net Revenues for the payment of Debt Service.

b. The Participants further intend that, notwithstanding short-term variances in their respective contributions of Regional Connection Fees or other funds, their total respective financial contributions to Capital Costs (whether financed by Bonds, funded by Regional Connection Fees, or otherwise) shall, ultimately, be directly proportional to their respective actual usage of the wastewater treatment capacity made available by the construction of Regional Wastewater Facilities. The specific provisions of this Agreement shall be interpreted to give effect to the foregoing sentence.

3. Term and Termination. This Agreement shall be effective as of the date first above written and shall remain in effect (a) for the full useful life of any and all Regional Wastewater Facilities, or (b) until such time as no Bonds remain outstanding, whichever is later. The expiration or sooner termination of the JPA Agreement shall not cause this Agreement to expire or terminate.

4. Responsibilities of the City of Roseville.

a. The City shall be responsible for the planning, permitting (including all necessary environmental compliance), design, acquisition, and construction of Regional Wastewater Facilities on behalf of the Participants. The City shall be entitled to be reimbursed from Bond proceeds, monies in the Rate Stabilization Fund, and any other available funds of the Authority, for Capital Costs incurred by the City; provided, however, that nothing in this Agreement shall be construed as a legal commitment by the Authority to reimburse or fund Capital Costs for any project unless and until the Authority has determined that all necessary environmental reviews therefor have been completed. This Agreement is not intended to, and shall not, predetermine the outcome of any such necessary environmental reviews.

b. The City shall operate and maintain the Regional Wastewater Facilities for the

mutual benefit of the City, District, and County, so long as the District and County pay to the City their proportionate shares of the amounts required to be paid under this Agreement and the Operations Agreement. The City shall be entitled to be reimbursed by the District and the County for their proportionate share of Regional Operation and Maintenance Costs (as determined pursuant to the terms of the Operations Agreement). Following the termination of the Joint Powers Agreement, (1) all amounts to be paid to the Authority hereunder shall be paid to the City, and (2) all determinations to be made, and other actions to be taken, by the Authority hereunder, shall be made and taken by the City in a manner consistent with City's duty to operate and maintain the Regional Wastewater Facilities for the mutual benefit of all of the Participants.

5. **Capacity Usage.** Each Participant may use wastewater treatment plant capacity up to the maximum percentage of allocated treatment capacity set forth in Table 1.

Table 1

WWTP Treatment Capacity Allocation Average Dry Weather Flow Million Gallons per Day				
	2015-2017 Average Treatment Capacity Usage	Remaining Treatment Plant Capacity	Allocated Treatment Capacity*	Percentage of Total Treatment Capacity
City	9.93	2.73	12.66	60.29%
District	3.61	1.80	5.41	25.76%
County	1.56	1.37	2.93	13.95%
Total			21.00	100.00%

* The allocated treatment capacity expressed in millions of gallons per day is based on the combined rated treatment capacity of the Pleasant Grove Plant and Dry Creek Plant as of the date of this Agreement (21.00 MGD). If a rerating is proposed for either wastewater treatment plant, the parties will meet and confer concerning the proposed rerating. If the rated treatment capacity changes for either wastewater treatment plant, the Participants will meet and confer concerning the appropriate wastewater treatment capacity allocation for each Participant. If both wastewater treatment plants are re-rated proportionately, the allocated treatment capacity expressed in millions of gallons per day automatically will be adjusted proportionately to the percentage of total treatment capacity allocated to each Participant above.

The Participants acknowledge and agree that the as-built ultraviolet disinfection capacity for the Regional Wastewater Facilities (33mgd) exceeds the total wastewater treatment capacity (21mgd) as of the date of this Agreement.

a. No Participant may exceed its maximum treatment capacity allocation absent a prior written agreement among the affected Participants reallocating both their existing maximum allocated capacity and Proportionate Shares, pursuant to Section 12.

b. Notwithstanding the foregoing, if (i) the capacity usage of any Participant (the "Requesting Participant") reaches 95% of such Participant's allocated capacity, and (ii) one or more other Participants are using less than 80% of their respective allocated capacities, and (iii) negotiations between the Requesting Participant and the other Participant(s) have failed to reach agreement after a reasonable time, the Requesting Participant may give a written request to the Authority to reallocate capacity as follows:

- (1) The Authority shall first take capacity from the Participant using the smallest portion of its allocated capacity.
- (2) The Authority shall transfer capacity to the Requesting Participant in the lesser of

the following two amounts: (i) the amount requested by the Requesting Participant, or (ii) an amount that would cause the other Participant(s) to have remaining an equal percentage of its allocated capacity as the Requesting Participant.

- (3) The affected Participants' Proportionate Shares will be reallocated pursuant to the provisions of Section 12.

c. No capacity reallocation pursuant to the provisions of this Section 5, or associated Proportionate Share reallocation pursuant to the provisions of Section 12, shall require an amendment to this Agreement. If two affected Participants reach agreement pursuant to Section 5.a, said Participants shall give written notice of the reallocation to the Authority and the other Participant. If the Authority reallocates capacity and Proportionate Shares pursuant to Section 5.b, the Authority shall give written notice of the reallocation to all Participants.

6. Issuance of Bonds by the Authority; Bond Provisions. The Authority shall be responsible for issuing Bonds. The Authority shall use Bond proceeds and Regional Connection Fees on deposit in the Rate Stabilization Fund, and any other available funds of the Authority, to pay Capital Costs. Each Participant agrees to take all necessary and required actions to enable the Authority to obtain all necessary authorizations and rights, and to do all things necessary and convenient, in connection with issuing Bonds and delegating the responsibility for planning, permitting, environmental compliance, designing, acquiring, constructing, operating, and maintaining the Regional Wastewater Facilities to the City and, to that end, shall enter into such supplemental agreements as may be reasonably necessary to provide adequate security for the owners of Bonds and to effectuate the purposes of this Agreement.

The Participants, in order to provide adequate security for the payment of Bonds, each severally covenant, as to each such Participant, but not as to the other Participants, as set forth in Sections 7, 8, 9, 10, 11, 12, and 13.

7. Pledge and Application of Participant Net Revenues.

a. Pledge. Each Participant hereby irrevocably pledges, charges and assigns to the Trustee, to assure the punctual payment of its Proportionate Share of Debt Service, all of its Participant Net Revenues and, except as otherwise may be permitted under the applicable Bond Documents, the Participant Net Revenues shall not be used for any other purpose so long as any of its Proportionate Share of Debt Service remains unpaid. Such pledge, charge and assignment shall constitute a senior lien on the Participant Net Revenues for the payment of the Proportionate Share of Debt Service in accordance with the terms hereof. To the extent a Participant's Proportionate Share of Debt Service is not paid in full from the Aggregate Rate Stabilization Fund Draw prior to any Interest Payment Date, such Participant shall, on or before such Interest Payment Date, make a payment directly to the Trustee for deposit to the Debt Service Fund from

its Participant Net Revenues to make up such deficiency.

b. Deposit of Participant Gross Revenues Into Enterprise Funds; Transfers to Make Payments.

(1) Each Participant shall deposit its Participant Gross Revenues immediately upon receipt, in its Enterprise Fund. Each Participant shall pay out of Participant Gross Revenues the Participant Operation and Maintenance Costs.

(2) Each Participant covenants and agrees that all Participant Net Revenues shall be held by such Participant in such Participant's Enterprise Fund in trust for the benefit of the Trustee and the owners of Bonds. In addition to the payment of such Participant's Proportionate Share of Debt Service to the extent provided for in Subsection 7.a, if the balance of the Reserve Account falls below the Reserve Requirement by reason of the loss of value of investments then on hand in the Reserve Account, Participant Net Revenues shall be applied to pay the amount of such Participant's Proportionate Share of such deficiency in the Reserve Account, the notice of which deficiency shall have been given by the Trustee to the Authority pursuant to the Indenture or any Parity Bonds Instrument. Upon receipt of any such notice, the Authority shall forward copies of such notice to the Participants.

c. Other Uses of Participant Net Revenues Permitted. The Participants shall manage, conserve, and apply the Participant Net Revenues on deposit in their respective Enterprise Funds in such a manner that all deposits required to be made pursuant to the preceding Subsection 7.b shall be made at the times and in the amounts so required. Subject to the foregoing sentence, each Participant may use and apply monies in its Enterprise Fund for any other lawful purposes, so long as no Event of Default shall have occurred and be continuing with respect to that Participant's obligations hereunder.

d. Budget and Appropriation of Proportionate Share of Debt Service. During the term of this Agreement, for each current Fiscal Year, each Participant shall adopt all necessary budgets and make all necessary appropriations of Rate Covenant Debt Service, from Participant Net Revenues, and shall furnish to the Trustee a certificate stating that the amount of Rate Covenant Debt Service to be paid from Participant Net Revenues has been included in the final budget of such Participant for such current Fiscal Year. Such certificate for any Fiscal Year shall be filed with the Trustee not later than September 1 in such Fiscal Year. If any Rate Covenant Debt Service payment requires the adoption by a Participant of any supplemental budget or appropriation, such Participant shall promptly adopt the same. The covenants on the part of each Participant contained in this Subsection 7.d shall be deemed to be, and shall be construed to be, duties imposed by law and it shall be the duty of each and every public official of each Participant to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable such Participant to carry out and perform the covenants and agreements in this Subsection 7.d.

e. Payment of Ongoing Costs Associated With the Bonds. If the following items are not paid by the Authority, each Participant agrees that it will pay, from Participant Net Revenues, its Proportionate Share of ongoing costs associated with the Bonds, including but not limited to: fees and expenses of the Trustee, fees of the Remarketing Agent, and fees and expenses due to the Provider under the Standby Bond Purchase Agreement and Payment Agreement (as those terms are defined in the Indenture).

8. Rate Covenant.

a. Each Participant shall fix, prescribe, revise, and collect User Charges during each Fiscal Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Participant Gross Revenues sufficient to pay the following amounts in the following order of priority:

(1) All Participant Operation and Maintenance Costs estimated by such Participant to become due and payable in such Fiscal Year;

(2) The Participant's Rate Covenant Debt Service and the amount due from the Participant on any Participant Parity Obligations as they become due and payable during such Fiscal Year, without preference or priority, except to the extent such Rate Covenant Debt Service or such interest on Participant Parity Obligations are payable from proceeds of Bonds or Participant Parity Obligations deposited for such purpose;

(3) All amounts, if any, required to be contributed by such Participant to restore the balance in the Reserve Account to the full amount of the Reserve Requirement pursuant to Subsection 7.b(2); and

(4) All payments required to meet any other obligations of such Participant which are charges, liens, encumbrances upon, or which are otherwise payable from, the Participant Net Revenues during such Fiscal Year.

b. In addition, each Participant shall fix, prescribe, revise, and collect User Charges during each Fiscal Year which are sufficient to yield Participant Net Revenues at least equal to one hundred ten percent (110%) of Rate Covenant Debt Service.

9. Rate Stabilization Fund.

a. The Rate Stabilization Fund shall be established and maintained by the Authority, or by the City of Roseville on behalf of the Authority. The Rate Stabilization Fund shall be held as one fund, with three separate accounts therein (one for each Participant), all of which, collectively, shall constitute the Rate Stabilization Fund.

b. (1) Intentionally Omitted.

(2) Each Participant shall pay all Regional Connection Fees to the Authority for deposit into the Rate Stabilization Fund, and, except as otherwise expressly set forth in this Agreement, such deposits shall be credited to the account of the Participant making the deposit. If any Participant desires to increase the balance of its account in the Rate Stabilization Fund for any reason, such Participant may, in its sole and absolute discretion, also deposit other available monies into the Rate Stabilization Fund.

(3) Intentionally Omitted.

(4) Interest on monies in the Rate Stabilization Fund for any period shall be allocated to the Participants' accounts in the Rate Stabilization Fund based on their respective average balances during such period.

c. (1) The Rate Stabilization Fund shall be used to pay:

(A) Debt Service;

(B) Bond Redemptions;

(C) Capital Costs;

(D) Reimbursement to a Participant of funds, other than Regional Connection Fees, deposited by such Participant into the Debt Service Fund, the Reserve Account, and the Rate Stabilization Fund, except to the extent such reimbursement would cause the balance of such Participant's account within the Rate Stabilization Fund to fall below its Sub-Minimum Level;

(E) Administrative and other expenses incurred by the Authority, provided, however, that if expenditures from the Rate Stabilization Fund are restricted for any reason, such Authority expenses may be charged to the Participants as Regional Operation and Maintenance Costs under the Operations Agreement; and

(F) Any other legal expenditures.

(2) (A) Amounts withdrawn from the Rate Stabilization Fund to pay for Debt Service, Bond Redemptions, and other Capital Costs for Bond-financed projects, shall be charged to the Participants' accounts within the Rate Stabilization Fund according to their respective Proportionate Shares, unless the Participants otherwise agree in writing.

(B) Amounts withdrawn from the Rate Stabilization Fund as reimbursement to a Participant of funds other than Regional Connection Fees, deposited by such Participant into the Debt Service Fund, the Reserve Account, or the Rate Stabilization Fund, shall be charged to that Participant's account within the Rate Stabilization Fund.

(C) Amounts withdrawn from the Rate Stabilization Fund to pay for Capital Costs (except for Capital Costs included in Subsection (A), above), administrative and other expenses incurred by the Authority, and other legal expenditures, shall be charged to the Participants' accounts within the Rate Stabilization Fund as reasonably determined by the Authority in accordance with the principle set forth in Subsection 2.b.

d. The Authority shall, through the Regional Connection Fee recommendation process set forth in Subsection 10.c, attempt to maintain the Rate Stabilization Fund balance at or above the Minimum Level.

e. Draws on the Rate Stabilization Fund shall not cause the funds therein to fall below the Minimum Level, except as expressly hereinafter provided.

f. (1) So long as a draw on the Rate Stabilization Fund would not cause the balance therein to fall below the Minimum Level, the Rate Stabilization Fund shall be fully available to pay Debt Service and any other legal expenditures, regardless of the amount of funds contained in a particular Participant's account within the Rate Stabilization Fund.

(2) If a draw on the Rate Stabilization Fund would have the effect of causing the Rate Stabilization Fund balance to fall below the Minimum Level, and a draw on a Participant's account within the Rate Stabilization Fund would have the effect of causing the balance in such Participant's account within the Rate Stabilization Fund to fall below such Participant's Sub-Minimum Level, such draw on a Participant's account within the Rate Stabilization Fund shall be limited, in each Fiscal Year, to an amount equal to the sum of: (A) one-third of the lesser of (I) such Participant's Sub-Minimum Level, and (II) the amount then on hand in such Participant's account within the Rate Stabilization Fund; plus (B) the amount then on hand in such Participant's account within the Rate Stabilization Fund in excess of such Participant's Sub-Minimum Level.

(3) If a Participant's (the "Underfunded Participant's") account within the Rate Stabilization Fund is unable to pay all of its Proportionate Share of Debt Service, and the then-current draw on the Rate Stabilization Fund would not have the effect of causing the Rate Stabilization Fund balance to fall below the Minimum Level, the other Participants' (the "Paying Participants") accounts within the Rate Stabilization Fund shall pay the unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service. Such unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service shall be paid out of the Paying Participants' accounts within the Rate Stabilization Fund as follows:

(A) If there is only one (1) Underfunded Participant, the Paying Participants' accounts within the Rate Stabilization Fund shall cover the unpaid portion of the Underfunded Participant's Proportionate Share of Debt Service in proportion to the Paying Participants' relative Proportionate Shares.

(B) If there are two (2) Underfunded Participants, the remaining Paying Participant's account within the Rate Stabilization Fund shall cover the unpaid portion of both Underfunded Participants' Proportionate Shares of Debt Service.

(4) (A) The parties hereto intend that no Paying Participant should be required to raise its User Charges, or take any other action under Section 8, by reason of the payment of all, or a portion of, an Underfunded Participant's (or Participants') Proportionate Share(s) of Debt Service out of the Paying Participant's account within the Rate Stabilization Fund. Within thirty (30) days after receipt of a written request from the Authority or any Paying Participant, the Authority and the Participants shall meet and agree upon a repayment schedule for the Underfunded Participant(s) that will ensure that the parties' intent, as expressed in the foregoing sentence, is given effect; provided that, in any event, Regional Connection Fees deposited in the Rate Stabilization Fund by an Underfunded Participant shall automatically be credited to the account(s) of the Paying Participant(s), up to the amount advanced by the Paying Participant(s), plus interest at the rate set forth below. If the parties are unable to agree on an appropriate repayment schedule, the matter may be referred to arbitration pursuant to Section 17. No Underfunded Participant shall be required to use funds other than Participant Net Revenues and Regional Connection Fees to make such payments to the Paying Participant's (or Participants') accounts within the Rate Stabilization Fund; provided, however, an Underfunded Participant may be required to use other funds available to such Underfunded Participant to repay any Regional Connection Fees deferred pursuant to Subsection 10.d(2). Payments by an Underfunded Participant pursuant to this Subsection 9.f(4) shall be subordinate to such Underfunded Participant's obligation to pay its Proportionate Share of Debt Service, as set forth in this Agreement.

(B) Except as provided in the following sentences, the interest rate applicable to amounts owed by an Underfunded Participant shall be equal to the interest earned by funds on hand in the Rate Stabilization Fund during the applicable period. Following a reallocation of the Participants' Proportionate Shares pursuant to the provisions of Section 12, any Underfunded Participant may submit a written request for interest rate modification to the Authority and the other Participants. Within thirty (30) days after receipt of such written request, the Authority and the Participants shall meet and agree upon an interest rate that is equitable, and that gives effect to the principle set forth in Section 2.b, in view of the then-current wastewater capacity usage projections of the Participants. If the parties are unable to agree on an equitable interest rate, the matter may be referred to arbitration pursuant to Section 17.

g. For purposes of determining the sufficiency of amounts held in each Participant's account within the Rate Stabilization Fund, such Participant shall receive a credit for amounts held by the Trustee and attributable to such Participant to pay its Proportionate Share of Debt Service.

h. Within one hundred twenty (120) days after the end of each Fiscal Year, the Authority, or the City of Roseville on behalf of the Authority, shall contract for an independent audit of deposits to, and expenditures from, the Rate Stabilization Fund. The audit shall identify the amounts deposited by each Participant and the expenditures attributable to each Participant's account, and determine the balance of each Participant's account within the Rate Stabilization Fund. The annual audit shall be distributed to all Participants.

10. Regional Connection Fees.

a. It is the intent of the Participants that the Regional Connection Fees shall be sufficient (1) to pay all Debt Service, (2) to keep the Rate Stabilization Fund at or above the Minimum Level, (3) to provide monies for additional expansions or modifications of, or improvements to, Regional Wastewater Facilities, and (4) to meet state and federal regulatory requirements. Representatives of the parties shall meet annually in the month of May to confer on the following matters: (i) the sufficiency of the Regional Connection Fees to meet the foregoing objectives; (ii) new capital projects, if any; and (iii) the need for, and timing of, expansions to the wastewater treatment plants or other Regional Wastewater Facilities.

b. (1) Pursuant to the provisions of Subsection 9.c, those amounts in the Rate Stabilization Fund which exceed the amount necessary, in any Computation Period, to keep the Rate Stabilization Fund at or above the Minimum Level following an Aggregate Rate Stabilization Fund Draw, may also be used by the Authority to fund other expansions or modifications of, or improvements to, Regional Wastewater Facilities, subject to the prior written approval of the Authority.

(2) Notwithstanding the foregoing, and subject to the availability of funds from the Authority, when the average daily inflows to the Dry Creek Plant or Pleasant Grove Plant reach seventy-five percent (75%) of actual total capacity of either plant, respectively, the City shall begin the planning, permitting and design of the next expansion of the Pleasant Grove Plant or Dry Creek Plant, or the construction of new Regional Wastewater Facilities, as appropriate. Subject to the provisions of Section 9.f, the payment of the cost of such planning, permitting and design shall be made from the Regional Connection Fees on deposit in the Rate Stabilization Fund, or any other available funds of the Authority.

(3) Within a reasonable time after City begins the process of planning, permitting, and design, pursuant to Subsection 10.b(2), the Participants shall meet and confer regarding their respective estimated capacity usage with respect to both Phase I Capacity and the

wastewater treatment capacity to be provided by the future expansion of Regional Wastewater Facilities.

c. If amounts deposited into the Rate Stabilization Fund are insufficient to keep the balance thereof at or above the Minimum Level, and, in any event, not less than once every five (5) years, the Authority shall reevaluate the Regional Connection Fee and recommend the minimum Regional Connection Fee that the Participants shall charge. In recommending the minimum Regional Connection Fee, the Authority shall consider all appropriate factors, including, without limitation, the future Capital Costs, amount of Debt Service, the funding of the Rate Stabilization Fund, and the anticipated expansions or modifications of, or improvements to, Regional Wastewater Facilities. Each Participant shall either (1) enact and enforce the minimum Regional Connection Fee, and any increases thereto, recommended by the Authority, within one hundred twenty (120) days following receipt of notice thereof from the Authority, or (2) concurrently with the payment of Regional Connection Fees actually collected, pay to the Authority the difference between Regional Connection Fees actually collected and the amount that would have been collected (based on the same number of EDU's) had the Participant enacted and enforced the minimum Regional Connection Fee, and any increases thereto, recommended by the Authority. Nothing in this Agreement shall prohibit a Participant from adopting, for its own use, Local Connection Fees on connections within its individual service area in such amounts as it deems appropriate.

d. (1) In the case of the City and the County, Regional Connection Fees shall be paid upon the issuance of a building permit. In the case of the District, Regional Connection Fees shall be paid upon the issuance of a wastewater system application permit. Regional Connection Fees shall be transmitted by the Participants to the Authority on a monthly basis by the 15th day of each month, along with a summary report of (A) the Regional Connection Fees collected during the preceding month, (B) the dates on which the collected Regional Connection Fees were assessed, (C) the development projects (including number of EDU's) for which the collected Regional Connection Fees were assessed, and (D) any deferred Regional Connection Fees (as provided below), with copies of said report to be given to each of the other Participants.

(2) Each Participant may, in its sole discretion, allow for the deferral of Regional Connection Fees on a case-by-case basis, provided that such deferral does not cause any draw on the Rate Stabilization Fund to reduce the balance of such Participant's account within the Rate Stabilization Fund below such Participant's Sub-Minimum Level. In addition, each Participant may, in its sole discretion, allow for the deferral of Regional Connection Fees applicable to individual residences on a case-by-case basis, regardless of the balance of such Participant's account within the Rate Stabilization Fund. If a Participant allowing deferral of Regional Connection Fees becomes an Underfunded Participant, the Authority, or any Paying Participant, may require repayment of deferred amounts, plus interest, pursuant to the provisions of Subsection 9.f(4). In any event, the Participants shall pay deferred Connection Fees to the Authority, plus interest at the rate earned by funds on hand in the Rate Stabilization Fund during

the period of deferral, upon collection thereof.

(3) In addition to the annual audit of Rate Stabilization Fund deposits and expenditures required by Subsection 9.h, the Authority shall retain an independent firm to conduct an audit of each Participant's Regional Connection Fee collection program within every five (5) years during the term of this Agreement. If said audit determines that there is a deficit between Regional Connection Fees that should have been collected and transmitted by any Participant and Regional Connection Fees that were actually collected and transmitted, that Participant shall pay the amount of the deficit to the Authority within a reasonable time as established by the Authority.

11. Participant Parity Obligations Secured by Participant Net Revenues. Each Participant may issue or incur Participant Parity Obligations, subject to the following specific conditions, which are hereby made conditions precedent to the issuance and delivery of such Participant Parity Obligations:

a. The Participant shall be in compliance with all covenants set forth in this Agreement.

b. The Participant's Net Revenues, calculated on sound accounting principles, as shown by the books of the Participant for the latest Fiscal Year, or any more recent twelve (12) month period selected by such Participant ending not more than ninety (90) days prior to the adoption of the documentation pursuant to which such Participant Parity Obligations are issued, as shown by the books of the Participant, plus, at the option of the Participant, any or all of the items hereinafter in this Subsection designated, shall at least equal one hundred ten percent (110%) of the sum of (1) such Participant's Rate Covenant Debt Service, and (2) the maximum annual debt service on the Participant Parity Obligations to be issued, calculated in accordance with the requirements of the resolution, trust indenture, or installment sale agreement, adopted, entered into, or executed and delivered, by the Participant, and under which such Participant Parity Obligations are to be issued. The items which may be added to such Participant's Net Revenues for the purpose of issuing or incurring Participant Parity Obligations hereunder are:

(1) an allowance for earnings arising from such Participant's Net Revenues resulting from any increase in the User Charges which has become effective prior to the incurring of such Participant Parity Obligations but which, during all or any part of such Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the amount by which such Participant's Net Revenues would have been increased if such increase in User Charges had been in effect during the whole of such Fiscal Year or such twelve (12) month period, all as shown in the written report of an independent consultant engaged by such Participant; and

(2) an allowance for Participant Net Revenues from any additions or improvements to or extensions of the Participant's System to be financed from the proceeds of

such Participant Parity Obligations or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any more recent twelve (12) month period selected by the Participant were not in service, all in an amount equal to seventy-five percent (75%) of the estimated additional average annual Participant Net Revenues to be derived from such additions, improvements and extensions for the first thirty-six (36) month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the Participant; and

- (3) Local Connection Fees collected by such Participant, in an amount equal to the greater of:
 - (A) Local Connection Fees collected by such Participant during the prior twelve (12) months, or
 - (B) the average annual amount of Local Connection Fees collected by such Participant during the prior thirty-six (36) months.

c. The documentation providing for the issuance of such Participant Parity Obligations shall provide that:

- (1) The proceeds of such Participant Parity Obligations shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Participant's System, or otherwise for facilities, improvements or property which the Participant determines are of benefit to the Participant's System, or for the purpose of refunding any Bonds, or other Parity Obligations, in whole or in part, including all costs (including costs of issuing such Participant Parity Obligations and including capitalized interest on such Participant Parity Obligations during any period which the Participant deems necessary or advisable) relating thereto; and

- (2) Principal on such Participant Parity Obligations shall be payable on a date which is the same date principal on Bonds is paid.

12. Determination of Participants' Proportionate Shares.

a. For purposes of this Amended and Restated Funding Agreement, the Participants' Proportionate Shares have been determined by the following cost allocation factors (as explained more fully in the South Placer Wastewater Capacity Allocation and Cost Responsibility Model Assumptions, attached hereto as **Exhibit A**):

- (i) The Participants' wastewater treatment plant capacity derived from the 21.0 MGD total capacity for both plants;

- (ii) The Participants' current usage of UV disinfection capacity and estimated future usage of the excess constructed UV disinfection capacity; and
- (iii) The City's assumption of all responsibility for the existing reclaimed/recycled water infrastructure costs (\$13.1M) as of the date of this Agreement.

Accordingly, as of the date of this Agreement, each Participant's Proportionate Share shall be as follows:

<u>Participant</u>	<u>Proportionate Share</u>
City:	64.57%
County:	13.48%
District:	21.95%

TOTAL:	100%

The 2012 Funding Agreement Proportionate Shares incorporated a disproportionate share of excess UV capacity to the County. The foregoing Proportionate Shares have been revised in this Agreement to account for a reallocation of excess UV treatment capacity to match the UV treatment capacities through buildout and to account for total debt liability, which includes recycled water costs. As of the date of this Agreement, any overpayments or underpayment as a result of this revision made by the Participants shall be applied to the associated Participants Rate Stabilization Fund balance. The foregoing Proportionate Shares shall be applicable while the 2011 Bonds are outstanding, unless and until reallocated in accordance with the provisions of this Section 12.

b. The foregoing Proportionate Shares shall constitute the Participants' Proportionate Shares until (i) two or more Participants agree to reallocate the existing wastewater treatment capacity pursuant to Section 5.a, or (ii) the Authority reallocates existing wastewater treatment capacity pursuant to Section 5.b, or (iii) future wastewater treatment capacity is allocated by agreement for any expansions of Regional Wastewater Facilities. Reallocation of the Participants' Proportionate Shares in connection with capacity reallocations pursuant to clauses (i) and (iii), above, shall be by agreement between the affected Participants. Reallocation of the Participants' Proportionate Shares in connection with an Authority-determined capacity reallocation pursuant to clause (ii), above, shall be by agreement among the Authority and the affected Participants; provided, if the Authority and Participants are unable to agree on an equitable reallocation of the Proportionate Shares, the matter may be referred to arbitration pursuant to Section 17. In that event, the arbitrator shall determine an equitable reallocation of Proportionate Shares in accordance with the principles of Section 2.b, amounts paid by the Participants (including carrying costs) and, insofar as applicable, the factors set forth in Section 12.a.

c. No reallocation of Proportionate Shares pursuant to the provisions of this Section 12, in connection with a capacity reallocation pursuant to the provisions of Section 5, shall require an amendment to this Agreement, provided that the Authority and Participants, as applicable, shall comply with the notice provisions of Section 5.c.

d. Any Participant that enters a Rate Stabilization Fund deficit due to addition of

fewer EDUs than what that Participant had projected in any fiscal year shall contribute an amount equal to that Participants' deficit to the Rate Stabilization Fund at the end of that fiscal year to alleviate the Rate Stabilization Fund deficit.

e. The Proportionate Shares of 2011 Bond Debt Service determined pursuant to this Section 12 shall apply to the 2011 Bonds, but not to Parity Bonds, or other obligations issued by the Authority which are subordinate to the 2011 Bonds. When this Agreement refers to the "Proportionate Shares" of the Participants with respect to their respective responsibilities for the payment of Debt Service on Parity Bonds, the term shall mean the allocation agreed to by all of the Participants at the time Parity Bonds are issued, which allocation shall be in accordance with the principles of Section 2.b.

13. Covenants of the Participants.

a. Punctual Payment; Compliance With Bond Documents. Each Participant shall punctually pay or cause to be paid the interest and principal to become due with respect to its Proportionate Share of Debt Service in strict conformity with the terms of all Bonds, and of this Funding Agreement, and shall faithfully observe and perform all of the conditions, covenants and requirements herein contained.

b. Against Encumbrances. No Participant shall mortgage or otherwise encumber, pledge or place any charge upon its Participant System or any part thereof, or upon any of its Participant Net Revenues, which would have the effect of impairing its obligation to make payments hereunder.

c. Discharge of Claims. Each Participant covenants that in order to fully preserve and protect the priority and security of all Bonds, such Participant shall pay and discharge all lawful claims for labor, materials and supplies furnished for or in connection with its Participant System which, if unpaid, may become a lien or charge upon its Participant Net Revenues prior or superior to the lien of any and all Bonds or impair the security of any and all Bonds. Each Participant shall also promptly pay all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of its Participant System or upon any part thereof or upon any of its Participant Net Revenues.

d. Acquisition, Construction or Financing of Improvements to the Participant's System. Each Participant shall construct, or finance improvements to its Participant System which are necessary for the continuing operation of its Participant System, and such improvements shall be made in an expeditious manner and in conformity with laws so as to complete the same as soon as possible.

e. Operation and Maintenance of Participant's System in Efficient and Economical Manner. Each Participant covenants and agrees to maintain and operate its Participant System in

an efficient and economical manner and to operate, maintain and preserve the Participant System in good repair and working order.

f. Against Sale, Eminent Domain.

(1) No Participant shall sell, lease, or otherwise dispose of, its Participant System or any part thereof essential to the proper operation of its Participant System or to the maintenance of its Participant Net Revenues, except as expressly permitted herein. No Participant shall enter into any lease or agreement which impairs the operation of its Participant System or any part thereof necessary to secure adequate Participant Net Revenues for the payment of the interest on and principal or redemption price, if any, on any and all Bonds, or which would otherwise impair the rights of the holders of any and all Bonds with respect to its Participant Net Revenues or the operation of its Participant System. Any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of its Participant System, or any material or equipment which has worn out, may be sold without the consent of the holders of the Bonds if such sale will not reduce Participant Net Revenues.

(2) If all or any part of a Participant's System shall be taken by eminent domain proceedings, the net proceeds realized by the Participant therefrom shall be deposited by the Participant with the Trustee in a special fund in trust and applied by the Participant as the Participant deems prudent, if (A) the Participant first secures and files with the Trustee a certificate showing (I) the estimated loss in annual Participant Net Revenues, if any, suffered, or to be suffered, by the Participant by reason of such eminent domain proceedings, (II) a general description of the Participant's proposed use of such net proceeds, and (III) an estimate of the additional Participant Net Revenues, if any, to be derived from such use of net proceeds; and (B) the Trustee, on the basis of such certificate, determines that the ability of the Participant to meet its obligations hereunder will not be substantially impaired, which determination shall be final and conclusive. If the foregoing conditions are met, the Participant shall then promptly proceed with the proposed use of such net proceeds substantially in accordance with such certificate and payments therefor shall be made by the Trustee from such net proceeds and from other monies of the Participant lawfully available therefor, and any balance of such net proceeds not required by the Participant for the purposes aforesaid shall be transferred to the Participant.

g. Insurance. Each Participant covenants that it shall at all times maintain such insurance on its Participant System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. No Participant shall be required to maintain earthquake insurance. If any useful part of the Participant System shall be damaged or destroyed, such part shall be restored to use. The net proceeds of insurance against accident to or destruction of the Participant System shall be used for repairing or rebuilding the damaged or destroyed portions of the Participant System (to the extent that such repair or rebuilding is determined by the Participant to be useful or of continuing value to the Participant's System) and to the extent not so applied, shall be applied as the

Participant determines.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Participant, or may be in the form of self-insurance by the Participant. The Participant shall establish such fund or funds or reserves as are necessary to provide for its share of any such self-insurance. The Participant shall file or cause to be filed with the Trustee, annually within one hundred twenty (120) days after the close of each Fiscal Year, a certificate describing such insurance.

h. Records and Accounts. Each Participant shall keep proper books of record and accounts of the finances of its Participant System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to its Participant System. Said books shall, upon reasonable request, be subject to the inspection of the holders of Bonds.

Each Participant covenants that it shall cause the books and accounts of its Participant System to be audited annually by an Independent Certified Public Accountant and shall make available for inspection by the owners of Bonds.

Each Participant covenants that it shall cause to be prepared annually, not more than one hundred eighty (180) days after the close of each Fiscal Year, as a part of its regular annual financial report, a summary statement showing the amount of revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on Bonds, the disbursements from the revenues and other funds in reasonable detail, and a general statement of the financial and physical condition of its Participant System. The Participant shall furnish a copy of the statement to the Trustee, and upon written request, to any Bond owner.

i. Protection of Security and Rights of Owners. Each Participant shall preserve and protect the security of all Bonds and the rights of all Bond owners, and shall warrant and defend their rights against all claims and demands of all persons.

j. Against Competitive Facilities. No Participant shall acquire, construct, operate or maintain a utility within the service area of such Participant that would be competitive with its Participant System.

k. Payment of Taxes, Etc. Each Participant shall pay and discharge all taxes, assessments and other governmental charges which may be lawfully imposed upon its Participant System or any part thereof, or upon any Participant Net Revenues, when the same shall become due. Each Participant shall duly observe and conform to all valid requirements of any governmental authority relative to its Participant System or any part thereof, and shall comply with all requirements with respect to any state or federal grants received to assist in paying for the

costs of the acquisition, construction or financing of any improvements to its Participant System.

l. Enforcement of Funding Agreement. Each Participant shall enforce its rights under this Agreement to receive its allocation of wastewater treatment capacity so as to ensure availability of wastewater treatment to customers within its jurisdiction.

m. No Priority for Participant Parity Obligations. Each Participant covenants that no additional bonds or other obligations shall be issued or incurred having any priority in payment over any and all Bonds as to revenues pledged to any and all Bonds.

n. Further Assurances. Each Participant shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of the Authority under, the applicable Bond Documents.

o. Continuing Disclosure. Each Participant shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking (executed by such Participant in connection with the Authority's issuance of Bonds) regarding its obligation to provide the Authority with information necessary to meet the Authority's continuing disclosure obligations, as set forth in Section 5.19 of the Indenture or any corresponding provisions of Parity Bonds Instruments, if any.

14. Amendments; Expiration of Certain Provisions.

a. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any Bonds are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of said Bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

b. Upon redemption or retirement of all Bonds, provisions of this Agreement that are solely for the benefit of owners of Bonds shall be held in abeyance, unless and until additional Bonds, if any, are issued by the Authority.

15. Rights of Participants and Third Parties. The Trustee, and Authority's credit enhancement provider, if any, shall have the right, as third-party beneficiaries of this Agreement, to initiate and maintain legal proceedings to enforce this Agreement to the extent provided for in the applicable Bond Documents. Except as provided in the foregoing sentence, nothing in this Agreement, express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person other than the parties hereto and their respective permitted successors and assigns. If an Event of Default occurs hereunder, the parties hereto, the Trustee, and Authority's credit enhancement provider, if any, shall have the right to take whatever action

it, or they, deem(s) necessary or advisable to ensure that such defaulting party complies with the provisions hereof, including, without limitation, bringing an action in law or in equity. In any action brought by any party to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

16. Notices. Any notices to parties required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER WASTEWATER
AUTHORITY
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Executive Director

With a copy to:
Authority's General Counsel
Sloan Sakai Yeung & Wong, LLP
555 Capitol Mall, Suite 600
Sacramento, CA 95814
Attention: Osman I. Mufti

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

Notices under this Agreement shall be deemed given and received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties.

17. Arbitration Regarding Repayment Schedules and Interest Rates.

a. Any disagreement among the Participants concerning the repayment schedule(s), or interest rate(s), to be determined pursuant to Subsection 9.f(4) shall be submitted to arbitration upon the written request of one Participant being given to the other Participants.

b. The Participants may agree on one arbitrator. If they cannot agree on one arbitrator, there shall be three, with each Participant naming one independent arbitrator in writing within thirty (30) days after demand for arbitration is given. Should one or more Participants refuse or neglect to join in the appointment of the arbitrator(s) or to furnish the arbitrator(s) with any papers or information demanded, then (1) if only one Participant has timely designated an arbitrator, the arbitrator shall proceed ex parte to consider the matter, or (2) if two Participants have timely designated arbitrators, the arbitrators shall appoint a third arbitrator and proceed ex parte to consider the matter.

c. A hearing on the matter to be arbitrated shall take place before the arbitrator(s) in the County of Placer, State of California, at the time and place selected by the arbitrator(s). The arbitrator(s) shall select the time and place promptly and shall give each Participant written notice of the time and place at least ten (10) days before the date selected. At the hearing, any relevant evidence may be presented by any Participant, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence may be admitted or excluded in the sole discretion of the arbitrator(s). The arbitrator(s) shall hear and determine the matter and shall execute and acknowledge the award in writing and cause a copy of the writing to be delivered to each of the Participants.

d. If there is only one arbitrator, his or her decision shall be binding and conclusive on the Participants and, if there are three arbitrators, the decision of any two shall be binding and conclusive. The submission of a dispute to the arbitrator(s) and the rendering of a decision, if any, by the arbitrator(s) shall be a condition precedent to any right of legal action on the dispute. A judgment confirming the award may be given by any Superior Court having jurisdiction, or that Court may vacate, modify, or correct the award in accordance with the provisions of the California Arbitration Act.

18. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and

the same instrument.

IN WITNESS WHEREOF, the South Placer Wastewater Authority, the City of Roseville, the South Placer Municipal Utility District and the County of Placer have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

SOUTH PLACER WASTEWATER AUTHORITY

BY: _____
Kenneth Glotzbach
Executive Director

ATTEST:

BY: _____

Secretary, Board of Directors

APPROVED AS TO LEGAL FORM:

BY: _____
Osman I. Mufti
Authority's General Counsel

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____
Adam Brown
District Counsel

ATTEST:

BY: _____
Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

South Placer Wastewater Capacity Allocation And Cost Responsibility Model Assumptions

NOTE: This Exhibit is intended for informational purposes only. In the event of any conflict between this Exhibit and the Second Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities ("Funding Agreement"), the Funding Agreement shall control.

MODEL SUMMARY

The following text and tables work through the methods used to develop the Proportionate Shares for the Participants. Table 1 presents the individual treatment plant capacities, total treatment capacities, and total treatment plant cost allocations.

Table 1 Treatment Plant Capacity and Cost Allocations					
Participant	DC WWTP (MGD)	PG WWTP (MGD)	Total Capacity (MGD)	Total Cost (Million \$)	Cost Percentage (%)
Roseville	5.72	6.94	12.66	114.73	63.16%
SPMUD	3.00	2.41	5.41	41.04	22.59%
County	2.78	0.15	2.93	25.87	14.24%
Totals	11.50	9.50	21.00	181.64	100%

Table 2 presents the UV capacity and cost allocations for all of the Participants.

Table 2 UV Capacity and Cost Allocations			
Participant	UV Capacity (MGD)	UV Cost (Million \$)	Cost Percentage (%)
Roseville	20.24	39.27	61.33%
SPMUD	8.12	15.76	24.61%
County	4.64	9.00	14.06%
Totals	33.00	64.03	100%

Table 3 presents the total debt liabilities, which include the recycled water cost, and the resulting Proportionate Shares.

Table 3 Proportionate Shares Based on Total Debt Liability ¹				
Participant	Treatment & UV Cost (Million \$)	Recycled Water Cost (Million \$)	Total Debt Liability (Million \$)	Proportionate Share (%)
Roseville	154.00	13.10	167.10	64.57%
SPMUD	56.80	0.00	56.80	21.95%
County	34.87	0.00	34.87	13.48%
Totals	245.67	13.10	258.77	100%

Notes:

1. Total Debt Liability of \$258.77M includes recycled water costs.

**SECOND AMENDED AND RESTATED
AGREEMENT REGARDING THE OPERATION AND USE
OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

Dated January 1, 2019

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**SECOND AMENDED AND RESTATED
AGREEMENT REGARDING THE OPERATION AND USE
OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES**

THIS SECOND AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION AND USE OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES (the “**Operations Agreement**” or “**Agreement**”) is made effective as of the 1st day of January 31, 2019, by and among the **SOUTH PLACER WASTEWATER AUTHORITY**, a joint powers agency (“**Authority**”), the **CITY OF ROSEVILLE**, a charter city duly organized and existing under the laws of the State of California (the “**City**”), the **SOUTH PLACER MUNICIPAL UTILITY DISTRICT**, a municipal utility district duly organized and existing under the laws of the State of California (the “**District**”), and the **COUNTY OF PLACER**, a political subdivision duly organized and existing under the laws of the State of California (the “**County**”).

RECITALS

- A. WHEREAS, effective October 1, 2000, the Participants entered into that certain “Joint Exercise of Powers Agreement for the South Placer Wastewater Authority” (the “**JPA Agreement**”), which JPA Agreement created the Authority; and
- B. WHEREAS, concurrently herewith, the Participants and the Authority entered into that certain Second Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities (the “**Funding Agreement**”); and
- C. WHEREAS, effective October 1, 2000, the parties hereto entered into the first Agreement regarding the Operation and Use of the South Placer Wastewater Facilities (the “**Original Operations Agreement**”), which Original Operations Agreement provided for (1) the operation and maintenance of Regional Wastewater Facilities, and (2) the ongoing funding necessary for the foregoing; and
- D. WHEREAS, the parties hereto amended and restated the Original Operations Agreement on October 1, 2012 to (i) conform the provisions of the Agreement to the provisions of the Funding Agreement, (ii) include the additional wastewater treatment service areas added by the District and the City, and (iii) modify the procedures to govern future changes to the service areas; and
- E. WHEREAS, the parties hereto desire to amend and restate the October 1, 2012 Operations Agreement to (i) conform the provisions of this Agreement to the provisions of the Funding Agreement, (ii) include the additional wastewater treatment service areas added by the County, District, and the City, (iii) amend specific language within the Reclaimed Water Section 14.c, and (iv) update miscellaneous information. The parties intend that this Agreement shall supersede and replace the Original Operations

Agreement and the October 1, 2012 Operations Agreement, and that this Agreement, the JPA Agreement and the Funding Agreement, shall supersede and replace the Other Superseded Agreements (defined below), except for Sections 5 through 13 of the Settlement Agreement (defined below).

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Definitions. Words and phrases used in this Agreement shall have the following meanings. Words and phrases used in common with the Funding Agreement shall have the meanings ascribed to them in the Funding Agreement, as the same may be amended from time to time. The current definitions are set forth in **Exhibit D**, which Exhibit will automatically be deemed to have been amended upon any future amendments to the Funding Agreement.

2011 Bonds is defined in the Funding Agreement.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bonds is defined in the Funding Agreement.

Community Plan Area means the Dry Creek - West Placer Community Plan Area depicted on **Exhibit "B,"** attached hereto and incorporated herein.

Discharge Permits means, collectively, the National Pollutant Discharge Elimination System Waste Discharge Requirements for the City of Roseville, issued by the Regional Water Quality Board, (a) on May 1, 2014 (RS-2014-0051, expires May 2, 2019), for the Pleasant Grove Plant (Order No. CA0084573), and (b) on May 1, 2014 (RS-2014-0049, expires May 2, 2019), for the Dry Creek Plant (Order No. CA0079502), and any amendments thereto.

Dry Creek Plant is defined in the Funding Agreement.

Event of Default is defined in the Funding Agreement.

Fiscal Year is defined in the Funding Agreement.

Funding Agreement is defined in Recital B.

Indenture is defined in the Funding Agreement.

Inflow and Infiltration, or I&I, means direct and indirect discharges (other than normal authorized wastewater discharges) to the collection system serving Regional Wastewater Facilities. Such discharges include, without limitation, excessively leaky joints and manholes, illegal storm drain connections and manholes, service laterals, and wastewater lines and joints located in the flood plain and in areas of high groundwater that are not watertight.

Other Superseded Agreements is defined in the Funding Agreement.

Parity Bonds is defined in the Funding Agreement.

Parity Bonds Instrument is defined in the Funding Agreement.

Participant is defined in the Funding Agreement.

Participant System or Participant's System is defined in the Funding Agreement.

Pleasant Grove Plant is defined in the Funding Agreement.

Proportional Volumetric Share is defined in the Funding Agreement.

Reclaimed Water is defined in the Funding Agreement.

Regional Connection Fees is defined in the Funding Agreement.

Regional Operation and Maintenance Costs is defined in the Funding Agreement

Regional Wastewater Facilities is defined in the Funding Agreement.

Related Regional Infrastructure is defined in the Funding Agreement.

Regional Water Quality Board means the California Regional Water Quality Control Board, Central Valley Region.

Trustee is defined in the Funding Agreement.

User means any person or entity that discharges water or waste into a Participant System and/or the Regional Wastewater Facilities, and is subject to regulation under the provisions of Roseville Municipal Code Chapter 14.26 (entitled "Industrial Wastewater"), or similar ordinances enacted by the District and the County.

2. Operation and Maintenance of Regional Wastewater Facilities.

a. The City shall operate and maintain the Regional Wastewater Facilities for the mutual benefit of, and provide wastewater treatment services to, the "Current Service Area" depicted on **Exhibit "A,"** attached hereto and incorporated herein, which area is within the jurisdictional boundaries of the City, District, and County, so long as the District and County pay to the City their proportionate shares of the amounts required to be paid under this Agreement and the Funding Agreement. Following completion of the Dry Creek Shed Study and adoption of the corresponding environmental approvals, the areas studied in the Dry Creek Shed Study will be included in the wastewater treatment service area for Regional Wastewater Facilities and **Exhibit "A"** will automatically be amended to include those areas. Future additions to the wastewater treatment service area boundaries may be made by any Participant, subject to Section 2.c, below. Upon any such change in the service area boundaries, **Exhibit "A"** will automatically be amended to reflect the change.

b. The City shall perform, and operate and maintain the Regional Wastewater Facilities in compliance with, all of the covenants of the Authority relating to the “Enterprise,” set forth in Article V of the Indenture.

c. Each Participant shall have the right to (1) maintain connections between such Participant’s System and the Regional Wastewater Facilities at all locations existing as of the date first above written, and (2) establish new connections to the Regional Wastewater Facilities as needed, subject to the City’s prior written approval of the location of such connection, which approval shall not be unreasonably withheld.

3. Charges for Regional Operation and Maintenance Costs.

a. Each Participant’s responsibility for Regional Operation and Maintenance Costs shall be based upon its Proportional Volumetric Share. The apportionment of the costs of administration of the Industrial Pretreatment Program for non-permitted Users shall be equitably allocated by future agreement among the Participants.

b. During the month of June of each year, the City shall provide each Participant with an estimate of the Regional Operation and Maintenance Costs for the following Fiscal Year. Thereafter, the City shall bill the District and the County quarterly, in advance, for their respective shares of the estimated Regional Operation and Maintenance Costs, which shares shall be in proportion to the Proportional Volumetric Share of each, as measured during the immediately preceding Fiscal Year.

c. (1) Within one hundred eighty (180) days after the close of each Fiscal Year, the City shall submit to each Participant a detailed statement of actual Regional Operation and Maintenance Costs, and the actual Proportional Volumetric Share of each Participant, for the Fiscal Year then ended. If the amount advanced for estimated Regional Operation and Maintenance Costs by any Participant is less than that Participant’s share of actual Regional Operation and Maintenance Costs (based on that Participant’s actual Proportional Volumetric Share), the City shall include the difference in a subsequent quarterly invoice for payment by that Participant. If the amount advanced for estimated Regional Operation and Maintenance Costs by any Participant is more than that Participant’s share of actual Regional Operation and Maintenance Costs (based on that Participant’s actual Proportional Volumetric Share), the City shall remit such excess amounts to that Participant, or credit that Participant’s account, at the City’s election.

(2) Each Participant may, at its sole cost and expense, inspect and/or audit the City’s books and records concerning Regional Operation and Maintenance Costs, and the City shall cooperate reasonably with any such inspection and/or audit.

d. Each Participant shall pay Regional Operation and Maintenance Costs within sixty (60) days after receipt of City’s invoice therefor. Interest shall accrue on any delinquent

amounts at the rate of return paid by the Local Agency Investment Fund plus one percent (1%), commencing one hundred eighty (180) days after receipt of the City's invoice.

4. Inflow and Infiltration; Maintenance of Participant Systems.

a. Inflow and Infiltration Requirement. The maximum allowable amount of I&I on any given day for any Participant shall be 2.5 times the Average Dry Weather Flow of that Participant.

b. Participant System Evaluation. The Participants shall evaluate their respective Participant Systems periodically for I&I to determine those areas that need specific attention or repair. Participant System analysis may be accomplished by any reasonably effective method, including, without limitation, smoke testing, system flow monitoring and videotaping.

c. Long Term Participant System Rehabilitation and Maintenance. Once the Participant Systems have been evaluated, and areas needing improvement have been identified, each Participant shall develop a Participant System rehabilitation program that will lower the amount of maximum daily I&I for that Participant to below 2.5 times that Participant's Average Dry Weather Flow.

d. Construction Specifications. The Participants shall meet and develop region-wide wastewater construction specifications to ensure that all new wastewater infrastructure is constructed to stringent standards that will reduce I&I, as required herein. Pressure testing of transmission mains and vacuum testing of manholes are a minimum requirement that must be contained in the specifications of any construction contracts let by the Participants with respect to Participant Systems and/or Regional Wastewater Facilities.

5. Backup Power and Wet Well Capacity. Each Participant shall install and maintain adequate backup power sources, and/or wet well capacity, at all pump stations to prevent overflow during power outages and pump failures.

6. High Water Alarms. Each Participant shall install and maintain functional high water alarm and notification systems at each pump station.

7. Unauthorized Wastewater Discharges. Each Participant shall report any unauthorized discharges of wastewater to the Regional Water Quality Board within one (1) business day after the discovery of such discharge.

8. Flow Monitoring Equipment. Each Participant shall, at its sole cost, maintain flow monitoring equipment at each major connection point between such Participant's System and the Regional Wastewater Facilities. Such equipment shall be capable of measuring peak wet weather flows as well as dry weather flows, and ultimate as well as interim flows, and data therefrom shall be reported to the City. Flow estimates may be used for smaller connection points, provided all Participants agree on the methodology used to estimate the flow. The methodology currently used to measure, estimate, and report flows from the County is attached

hereto as **Exhibit E** for reference. Otherwise, the applicable Participant shall install portable flow monitoring equipment semi-annually for two one-week periods, once during the wet season (January 1st through March 31st) and once during the dry season (July 1st through September 30th).

9. Ordinance Modification; Compliance with Discharge Permits.

a. The Participants shall adopt all applicable provisions of ordinances, statutes, rules and regulations, established by the City, regulating the use of, and discharge of waters and wastes into, the Regional Wastewater Facilities, including all applicable provisions of Roseville Municipal Code Chapters 14.12, 14.16, 14.26, and all later applicable amendments thereto, within ninety (90) days after receipt of the City's written request therefor. The Participants have met and determined the applicability of provisions of the foregoing City ordinances, statutes, rules and regulations, and adopted the same in accordance with this Agreement. The Participants have met and evaluated existing ordinances to (1) incorporate provisions enforcing I&I reductions, and (2) ensure uniform methods of categorizing and calculating the Regional Connection Fee. The City will notify the other Participants of any proposed changes to such ordinances, statutes, rules and regulations, and invite the other Participants to participate in the formulation and drafting of any such changes to be adopted by the City which are applicable to the use of, and discharge of waters and wastes into, the Regional Wastewater Facilities, and are to be adopted by the Participants. I

b. Each Participant shall operate and maintain its Participant System in compliance with the requirements of the Discharge Permits and other applicable laws and regulations, and shall reasonably agree to amend this Agreement from time to time as necessary to comply with the requirements of the Discharge Permits or other applicable laws and regulations. Each Participant shall cooperate with, and assist, the other Participants, as reasonably necessary to comply with the Discharge Permits, including, without limitation, making its Participant System available for any studies and inspections required by the Discharge Permits.

10. Industrial Pretreatment Program. The Agreement for Industrial Waste Pretreatment Program, made by and among the Participants effective August 19, 1988, a copy of which is attached hereto as **Exhibit C**, is hereby incorporated into this Agreement as if set forth in full.

11. Tax Exemption. No Participant shall levy any tax or assessment, or any similar charge, on any real or personal property, or interest therein, that lies within such Participant's jurisdictional boundaries and is part of the Regional Wastewater Facilities, or another Participant's System.

12. Major Dischargers. For the purpose of assuring the availability of adequate regional wastewater treatment capacity, when the Regional Wastewater Facilities have reached seventy-five percent (75%) of their treatment capacity, no Participant shall permit, or agree to permit, any commercial or industrial applicant or entity whose Average Dry Weather Flow discharge during the useful life of the applicant's project is estimated to be Four Hundred Thousand (400,000) gallons per day or greater, to connect to that Participant's System, or otherwise provide

wastewater treatment service, without first obtaining the written consent of the Authority and a majority of the Participants. Such consent shall not unreasonably be withheld. Permission to connect is deemed to occur at the time a Participant gives an applicant a notice of willingness to serve, or otherwise authorizes an applicant to connect to that Participant's System, whether this occurs at the issuance of a construction permit, or the collection of the Regional Connection Fee, or prior thereto. The City shall promptly provide written notification to the Authority, the District, and the County, when the Regional Wastewater Facilities have reached seventy-five percent (75%) of capacity.

13. Moratorium. At such time as insufficient capacity remains in the Regional Wastewater Facilities to treat additional flows, the Authority shall impose a moratorium on additional connections, pending the expansion of treatment capacity. Any moratorium necessitated by an exhaustion of treatment capacity shall apply equally and simultaneously to all Participants.

14. City/County Provisions. The following provisions bind, and inure to the benefit of, the City and the County only:

a. Linda Creek Raw Water Bypass. The City shall provide a maximum of 0.8 cfs of supplemental flow to Linda Creek to replace discharge from the abandoned County SMD #2 wastewater treatment plant, provided that the County shall reimburse the City for the cost of such water, including wheeling, metering, and maintenance costs. Supplemental flow shall consist of a raw water bypass at the City's water treatment plant on Barton Road. The City reserves the right to temporarily discontinue the raw water bypass during any period that stage three (or higher) drought restrictions are in effect pursuant to Roseville Municipal Code Chapter 14.09. The City shall bill the County quarterly for supplemental water costs, with payment due within sixty (60) days after any billing.

b. Dry Creek - West Placer Community Plan Area Wastewater Facilities.

(1) The County shall cause to be constructed within the Community Plan Area such Participant System facilities as are appropriate to provide wastewater service, and shall operate and maintain said facilities.

(2) Wastewater shall be received at the Dry Creek Plant by force main. The County's Participant System for the Community Plan Area shall connect to the Dry Creek Plant at the headworks facility located at the northeast portion of the Dry Creek Plant site.

c. Reclaimed Water. The City and the County agree that the use of reclaimed water is encouraged in all areas and is subject to the availability of the reclaimed water distribution system while complying with all state and local reclaimed water regulations.

(1) Pursuant to the Recycled Water Systems Evaluation Final Report (RMC, July 2016), the available reclaimed water is anticipated to be adequate to serve the projected demands in unincorporated Placer County within the SPWA service area.

(2) If the City receives a request for reclaimed water from a customer within their City limits that would reduce the amount of reclaimed water available to unincorporated Placer County projects below what is contemplated in Chapter 2 of the Recycled Water Systems Evaluation Final Report (RMC, July 2016), the City of Roseville will notify Placer County of this request. The County, or its agent, will then be granted the opportunity to reserve that capacity for a County project prior to the City granting that capacity to the other entity. However, the following projects in western Placer County were entitled prior to the date of this Agreement and are guaranteed reclaimed water capacity to meet their respective demands as described in their respective entitled environmental documents: Placer Vineyards Specific Plan, Riolo Vineyards Specific Plan, and Regional University Specific Plan.

(3) It is agreed that the City will be the retailer of reclaimed water within the City limits and the County, or its agent, will be the retailer outside of the City limits.

15. Indemnity. Each Participant (the “Indemnitor”) agrees to hold harmless, defend and indemnify the other Participants, their officers, agents and employees, from and against any and all liabilities, claims, or damages of any nature, including, without limitation, personal injury, including death, or property damage, resulting from the negligent actions or inaction of the Indemnitor, its officers, agents, or employees, under the terms of this Agreement, including, without limitation, accidental wastewater discharges.

16. Term and Termination. This Agreement shall be effective as of the date first above written and shall remain in effect (a) for the full useful life of any and all Regional Wastewater Facilities, or (b) until such time as no Bonds remain outstanding, whichever is later. The expiration or sooner termination of the JPA Agreement shall not cause this Agreement to expire or terminate.

17. Amendments. This Agreement may be amended only by the unanimous written agreement of the Participants. So long as any Bonds are outstanding and unpaid, or funds are not otherwise set aside for the payment or redemption thereof in accordance with the terms of said Bonds and the documentation relating thereto, this Agreement shall not be amended, modified or otherwise revised, changed or rescinded, unless the Participants have first complied with the procedures required to amend the indenture for said Bonds.

18. Rights of Participants and Third Parties. The Trustee, and Authority’s credit enhancement provider, if any, shall have the right, as third-party beneficiaries of this Agreement, to initiate and maintain legal proceedings to enforce this Agreement to the extent provided for in the applicable Bond Documents. Except as provided in the foregoing sentence, nothing in this Agreement, express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person other than the parties hereto and their respective permitted successors and assigns. If an Event of Default occurs hereunder, the parties hereto, the Trustee, and Authority’s credit enhancement provider, if any, shall have the right to take whatever action it, or they, deem(s) necessary or advisable to ensure that such defaulting party complies with the provisions hereof, including, without limitation, bringing an action in law or in equity. In any action brought by any party to enforce the terms of this Agreement, the prevailing party shall be

entitled to recover its reasonable attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie.

19. Notices. Any notices to parties required by this Agreement shall be delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER WASTEWATER
AUTHORITY
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Executive Director

With a copy to:
Authority's General Counsel
Sloan Sakai Yeung & Wong,LLP
555 Capitol Mall, Suite 600
Sacramento, CA 95814
Attention: Osman I. Mufti

CITY OF ROSEVILLE
Environmental Utilities Department
2005 Hilltop Cir.
Roseville, CA 95747
Attention: Environmental Utilities Director

With a copy to:
Roseville City Attorney
311 Vernon St.
Roseville, CA 95678
Attention: City Attorney

Finance Department
311 Vernon St., Room 206
Roseville, CA 95678
Attention: Finance Director

SOUTH PLACER MUNICIPAL UTILITY
DISTRICT
5807 Springview Dr.
Rocklin, CA 95677
Attention: General Manager

With a copy to:
District's General Counsel
Hill Rivkins Brown & Associates
11140 Fair Oaks Boulevard, Suite 100
Fair Oaks, CA 95628
Attention: Adam Brown

COUNTY OF PLACER
Department of Public Works
Environmental Engineering Division
11476 "C" Avenue
Auburn, CA 95603
Attention: Director

With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

Notices under this Agreement shall be deemed given and received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties.

20. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the South Placer Wastewater Authority, the City of Roseville, the South Placer Municipal Utility District and the County of Placer have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

SOUTH PLACER WASTEWATER AUTHORITY

BY: _____
Kenneth Glotzbach
Executive Director

ATTEST:

BY: _____

Secretary, Board of Directors

APPROVED AS TO LEGAL FORM:

BY: _____
Osman I. Mufti
Authority's General Counsel

CITY OF ROSEVILLE

BY: _____
Dominick Casey
City Manager

ATTEST:

BY: _____
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____
Adam Brown
District Counsel

ATTEST:

BY: _____
Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: _____

Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____

County Counsel

ATTEST:

BY: _____

Clerk, Board of Supervisors

EXHIBIT A

Service Area

Figure ES - 3: 2005 Regional Service Area

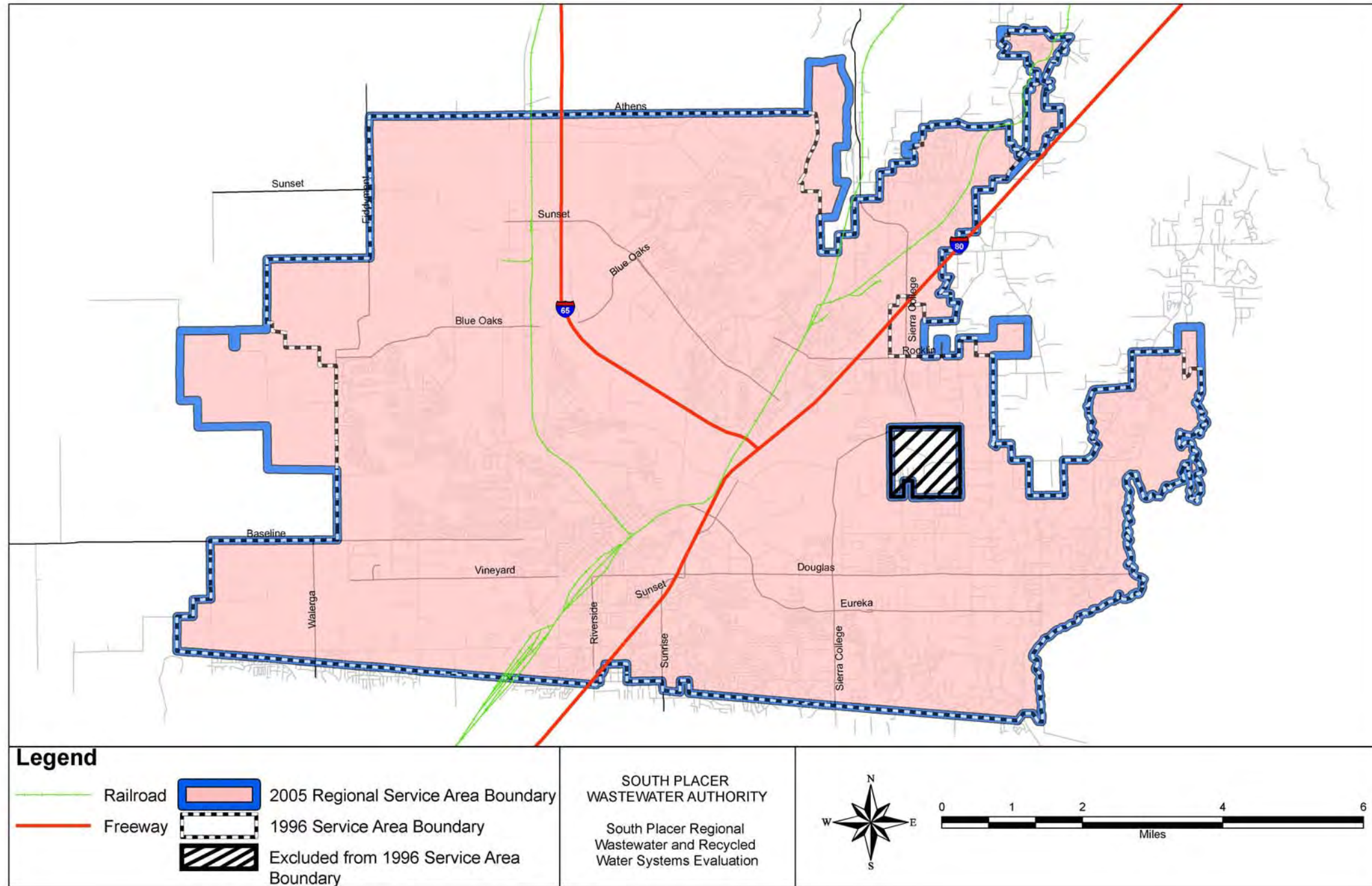


EXHIBIT B

Dry Creek - West Placer Community Plan Area

Dry Creek - West Placer Community Plan Area

Exhibit B

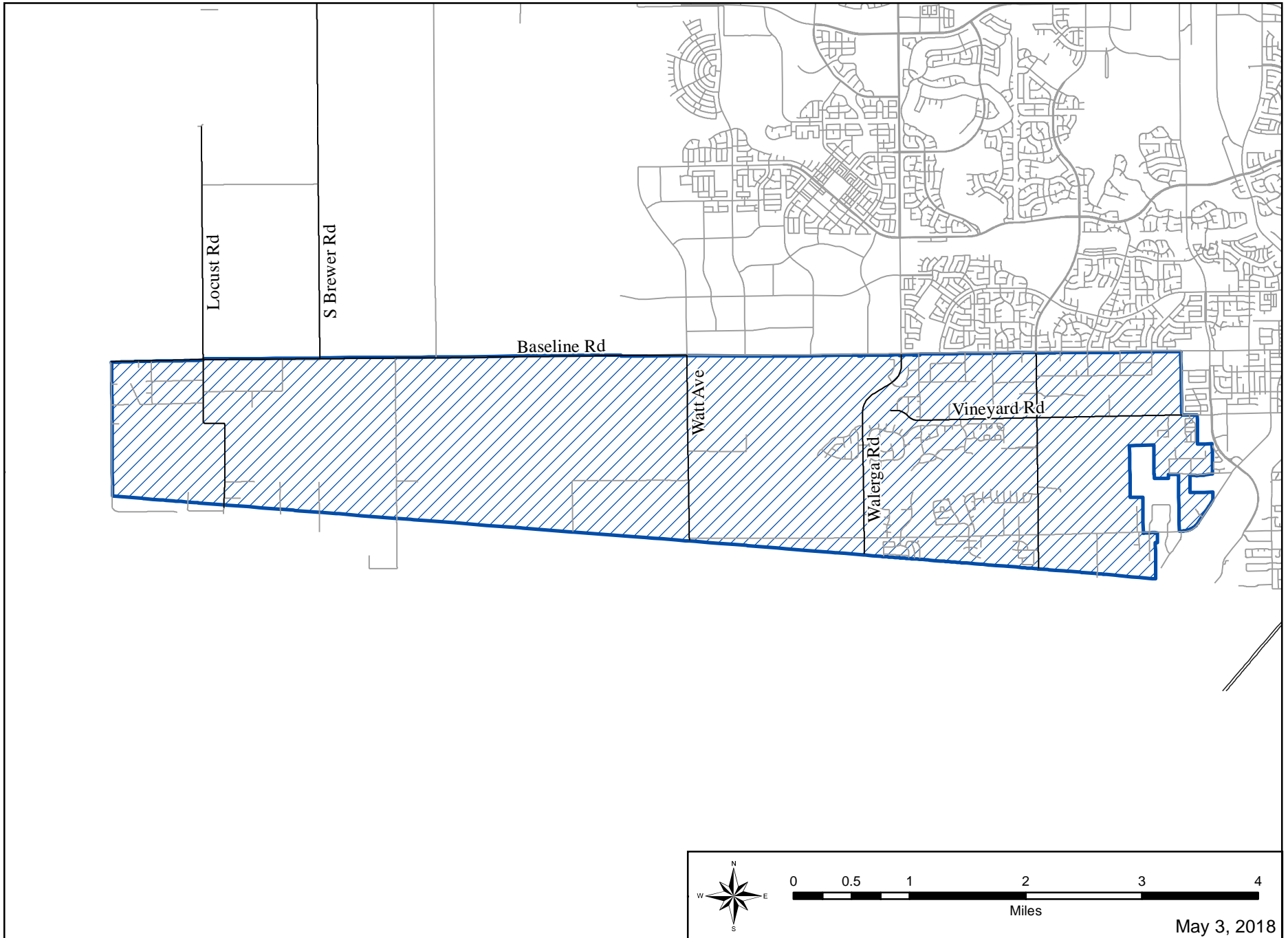


EXHIBIT C

Agreement for Industrial Waste Pretreatment Program

EXHIBIT D

RECEIVED
OCT 21 1988
S.P.M.U.D.

FILED

AUG 26 1988

AGREEMENT FOR INDUSTRIAL WASTE

PRETREATMENT PROGRAM

CITY OF ROSEVILLE
BY dlm

This Agreement is made this 19th day of August,
1988, by and between the City of Roseville, a municipal
corporation ("CITY"), Placer County ("COUNTY"), and South Placer
Municipal Utility District ("DISTRICT"), and

W I T N E S S E T H:

WHEREAS, the City is responsible for operation and
maintenance of a Regional Wastewater Treatment Plant, and

WHEREAS, domestic and industrial waste waters from outside
the jurisdiction of the City are treated in the Regional
Wastewater Treatment Plant, and

WHEREAS, an Industrial Wastewater Pretreatment Program in
compliance with Title 40, Code of Federal Regulations, Part 403,
is required to monitor and control industrial wastewater at the
point of waste generation, and

WHEREAS, the City has developed and implemented an
Industrial Wastewater Program, and

WHEREAS, the County and District desire to adopt and
participate in the City's Industrial Wastewater Program, and

WHEREAS, the County and District desire to delegate
administration and enforcement of the Industrial Wastewater
Program to the City.

05
109

NOW, THEREFORE, the Parties agree as follows:

Article I: Industrial Waste Ordinance

The Parties agree that the City's Industrial Wastewater Ordinance, Roseville Municipal Code Chapter 14.26 (hereinafter referred to as the Ordinance), and any and all future amendments, shall apply to all generators of industrial wastewater that discharge such waste to the Roseville Regional Wastewater Treatment Plant. The County and the District shall within sixty (60) days from the date of this agreement amend their ordinances and regulations to adopt the Ordinance.

Article II. Enforcement

The Parties agree that the City of Roseville shall have enforcement authority over any and all users, as defined in the Ordinance, that discharge waste to the Roseville Regional Wastewater Treatment Plant (RWTP) and that the County and District shall amend their ordinances and regulations to expressly grant the City such enforcement authority.

Article III: Administration

The Parties agree that the City shall administer the Industrial Wastewater Program in accordance with the Ordinance.

Article IV: Funding

The Parties agree that the City shall have the authority to collect fees, charges, and all costs of implementing and enforcing the program from users in accordance with the Ordinance.

Article V: Notification

The Parties agree that the City shall be notified of any potential industrial waste generator whose industrial waste will be discharged to the Roseville Regional Wastewater Treatment Plant as a result of new development or expansion of existing facilities, at the earliest possible time. In the case of County, such notification shall be made prior to the granting of a tentative map, parcel map, or use permit whichever is sooner. In the case of District, such notification shall be made immediately after District receives a request for service from a potential industrial waste generator or a request for expansion of existing facilities by a potential industrial waste generator.

Article VI: Hold Harmless

County and/or District shall defend, indemnify and hold harmless City, its officers, agents, and employees from liability of claims for damage of any nature, including but not limited to personal injury, including death, or property damage, which may arise from or be connected with the direct or indirect operations, inaction or action of the City or its contractors, subcontractors,

agents or employees arising out of or connected with this Agreement.

Article VII: Integration

This instrument constitutes the sole and only agreement of the parties hereto relating to the industrial waste pretreatment program and correctly sets forth the rights, duties and obligations of each to the other as of its date.

Article VIII: Attorney's Fees

If legal action by any party is brought against another for breach of this Agreement or to compel performance of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

IN WITNESS WHEREOF, the City of Roseville a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. 88-201 adopted by the Council of the City of Roseville on the 17th day of August, 1988, and COUNTY and DISTRICT have caused this agreement to be executed.

CITY OF ROSEVILLE, a

municipal corporation

By: Robert G. Hutchison

ROBERT G. HUTCHISON,

PLACER COUNTY

By: Robert P. Mahan

ROBERT P. MAHAN, CHAIRMAN

City Manager

SOUTH PLACER MUNICIPAL
UTILITY DISTRICT

ATTEST:

BY: [Handwritten Signature]

Helen Florance
HELEN FLORANCE, city clerk

APPROVED AS TO FORM:

[Handwritten Signature]
MICHAEL F. DEAN, City Attorney

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST:
[Handwritten Signature]
City Clerk of the City of North Platte, Nebraska
DEPUTY CLERK

EXHIBIT D

Funding Agreement Definitions (as of January 31, 2019)

2011 Bonds means the following Authority bonds issued in 2011: (i) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011A (Variable Rate Demand Bonds); (ii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011B (Variable Rate Demand Bonds); (iii) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011C; and (iv) South Placer Wastewater Authority Wastewater Revenue Refunding Bonds, Series 2011D (SIFMA Index Bonds).

2011 Bond Debt Service means Debt Service due on the 2011 Bonds.

2011 Bond Documents means the Indenture, this Agreement, the Official Statement and other ancillary documents relating to credit enhancement, liquidity, and other matters relating to the 2011 Bonds, including the purchase of the 2011 Bonds.

Aggregate Rate Stabilization Fund Draw means, for any Computation Period, the amount actually withdrawn from the Rate Stabilization Fund to pay Debt Service during such Computation Period.

Authority is defined in the preamble.

Available Local Connection Fees means Local Connection Fees that may be used to pay Debt Service. A Participant assessing Local Connection Fees shall, on a case-by-case basis, determine whether such Local Connection Fees are so usable.

Average Dry Weather Flow means the average daily wastewater flow into the Regional Wastewater Facilities, measured from July 1st through September 30th of each year.

Bond Documents means the 2011 Bond Documents and any Parity Bonds Instrument(s).

Bond Redemptions means funds sent by the Authority to the Trustee accompanied by irrevocable instructions to the Trustee that such funds are to be applied to the redemption of Bonds in accordance with the optional redemption provisions of the Indenture and any Parity Bonds Instrument.

Bonds means, collectively, the 2011 Bonds and any Parity Bonds, issued and at any time outstanding under the Indenture or any Parity Bonds Instrument, respectively.

Capital Costs means both direct and incidental costs of the planning, permitting, design, acquisition and construction of Regional Wastewater Facilities, including, without limitation, the following: (a) site acquisition, including, without limitation, administration, surveys, appraisals,

legal fees, costs of litigation, and title insurance; (b) engineering costs, including, without limitation, administration, investigation, tests, design, survey, construction supervision, and inspection; (c) construction costs, including, without limitation, Bond interest during construction; (d) preliminary project costs paid, and advance payments made, by the City, the County, or the District; (e) Debt Service and issuance costs on Bonds; (f) reserve requirements for Bonds; (g) capital reserve requirements relating to Regional Wastewater Facilities; and (h) administrative costs, including, without limitation, legal fees, consultant fees, and costs of Participant personnel working on the acquisition and construction of Regional Wastewater Facilities.

City is defined in the preamble.

Computation Period means a Fiscal Year, unless another period of time is required by any applicable Bond Document.

County is defined in the preamble.

Debt Service means, for any Computation Period, the sum of (a) the interest accruing on all Bonds during such Computation Period, assuming that all Bonds are retired as scheduled, plus (b) the principal amount (including principal due as sinking fund installment payments) allocable to all Bonds in such Computation Period, calculated as if such principal amounts were deemed to accrue daily during such Computation Period in equal amounts from, in each case, each payment date for principal or the date of delivery of such Bonds (provided that principal shall not be deemed to accrue for greater than a 365-day period prior to any payment date), as the case may be, to the next succeeding payment date for principal; provided, that the following adjustments shall be made to the foregoing amounts in the calculation of Debt Service:

(1) with respect to any such Bonds bearing or comprising interest at other than a fixed interest rate, the rate of interest used to calculate Debt Service shall be (A) with respect to such Bonds then outstanding, one hundred ten percent (110%) of the greater of (I) the daily average interest rate on such Bonds during the twelve (12) calendar months next preceding the date of such calculation (or the portion of the then current Computation Period that such Bonds have borne interest) or (II) the most recent effective interest rate on such Bonds prior to the date of such calculation and (B) with respect to such Bonds then proposed to be issued, the average of the Revenue Bond Index published in *The Bond Buyer* over the prior 12 months, or a comparable index if the Revenue Bond Index is no longer published;

(2) with respect to any such Bonds having twenty percent (20%) or more of the aggregate principal amount thereof due in any one Computation Period, Debt Service shall be calculated for the Computation Period of determination as if the interest on and principal of such Bonds were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of such Bonds; provided, however, that the full amount of such Bonds shall be included in

Debt Service if the date of calculation is within 24 months of the actual maturity of the payment;

(3) with respect to any such Bonds or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or portions thereof, such accreted discount shall be treated as due when scheduled to be paid;

(4) Debt Service shall not include interest on Bonds which is to be paid from amounts constituting capitalized interest; and

(5) if an interest rate swap agreement is in effect with respect to, and is payable on a parity with, any Bonds to which it relates, no amounts payable under such interest rate swap in excess of debt service payable under such Parity Bonds Instrument shall be included in the calculation of Debt Service unless the sum of (A) the interest payable on such Bonds, plus (B) the amounts payable by the Authority or the Participant under such interest rate swap agreement, less (C) the amounts receivable by the Authority or the Participant under such interest rate swap agreement, are greater than the interest payable on such Bonds, in which case the amount of such payments to be made that exceed the interest to be paid on such Bonds shall be included in such calculation, and for this purpose, the variable amount under any such interest rate swap agreement shall be determined in accordance with the procedure set forth in Subsection (1) of this definition.

Debt Service Fund means the fund of that name created under the Indenture, or an equivalent fund created under any Parity Bonds Instrument, as applicable.

District is defined in the preamble.

Dry Creek Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the “Dry Creek Wastewater Treatment Plant.”

EDU's means “equivalent dwelling units,” which is the measure by which City, District, and County calculate their Regional Connection Fees. The Participants shall coordinate the definition of EDU's in their respective codes and ordinances, such that Regional Connection Fees collected are equivalent with regards to land use types, size, and density of structures.

Enterprise Fund means, (a) as to the City, the Operational and Rehabilitation Funds maintained by the City; (b) as to the County, the following funds maintained by the County: (1) Sewer Maintenance District No. 2, Fund 503, Subfund 2; and (2) CSA 28, Zone 2A3, Sunset Sewer, Fund 502, Subfund 2; (c) CSA 28, Zone 173, Dry Creek, Fund 502, Subfund 55; and (d) as to the District, the Enterprise Fund maintained by the District.

Event of Default means:

(a) Default in the due and punctual payment of any amounts required to be paid hereunder by a party hereto, when and as the same shall become due and payable; or

(b) Default by a party in the observance of any other covenants, agreements or conditions on its part in this Agreement, or in any Bond Document, and such default shall have continued for a period of thirty (30) days after that party shall have been given notice in writing of such default by the Trustee, or any other party hereto; provided, however, that if any such default is not reasonably curable within such thirty (30) day period, the applicable party shall not be deemed to be in default if such party commences to cure the default within such thirty (30) day period and diligently pursues such cure to completion.

Fiscal Year means the period of time beginning on July 1st of any year and ending on June 30th of the following year, or any other twelve (12) month period agreed to in writing by all of the Participants.

Indenture means, collectively and individually, the Wastewater Revenue Bond Indenture, and the First, Second, Third and Fourth Supplemental Wastewater Revenue Bond Indentures, each dated as of April 1, 2011, between the Authority and the Trustee, under which the 2011 Bonds were issued.

Individual Rate Stabilization Fund Draw means, as to each Participant, for any Computation Period, the amount actually withdrawn from the account created for such Participant in the Rate Stabilization Fund to pay such Participant's Proportionate Share of Debt Service during such Computation Period.

Interest Payment Date means any date on which interest is payable on the 2011 Bonds under the terms of the Indenture and any Parity Bonds Instrument.

JPA Agreement is defined in Recital A.

Local Connection Fees means connection fees imposed and collected by a Participant, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, or County ordinances, as applicable, for the purpose of funding expansions or modifications of, and/or improvements to, the Participant's System.

MGD means millions of gallons per day.

Minimum Level means, when used to describe the amount contained in the Rate Stabilization Fund, an amount equal to the lesser of: (a) Debt Service due in the two (2) Fiscal Years occurring immediately after the calculation is made, and (b) the amount required to redeem or retire all Bonds.

Operations Agreement means that certain Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities made by and among the Authority and the Participants of even date herewith, as amended by the Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities dated of even date herewith.

Other Superseded Agreements means, collectively, the following agreements between the parties and/or their predecessors: (i) Agreement Relating to the Construction and Operation of a Regional Sewage Treatment Plant between the City and Rocklin-Loomis Municipal Utility District (the District's predecessor), dated as of July 5, 1973, and amended on October 15, 1975, June 17, 1981, and May 6, 1987 (collectively, the "Dry Creek Agreements"); (ii) Agreement for Sewer Services Regarding Placer County Sewer Maintenance District No. 2; Placer County Service Area No. 28, Zone 2, A-3; Placer County Service Area No. 28, Zone 55; and the Dry Creek-West Placer Community Plan Area between the City and the County, dated January 17, 1996 (the "Roseville/Placer County Agreement"); (iii) Preliminary Agreement Between and Among the City of Roseville, the South Placer Municipal Utility District and the County of Placer Regarding the Pleasant Grove Wastewater Treatment Plant, between the City and the County, dated May 19, 1998, and a separate agreement between the City and the District bearing the same title and containing substantially the same provisions, dated October 21, 1998 (collectively, the "Preliminary Agreement"); and (iv) the Settlement Agreement among the City, the County and the District, in settlement of the litigation entitled *City of Roseville vs. South Placer Municipal Utility District*, Sacramento County Superior Court Case No. 98AS02099 (the "Settlement Agreement").

Parity Bonds means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the Authority, the proceeds of which are applied to the acquisition and construction of Regional Wastewater Facilities, payable from and secured by a pledge of and lien upon any of the Participant Net Revenues, and issued or incurred pursuant to the Indenture.

Parity Bonds Instrument means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the Authority, and under which Parity Bonds are issued.

Participant means, individually, the City, the County, or the District. Participants means, collectively, the City, the County and the District.

Participant Gross Revenues means, for any Computation Period, all amounts received for, arising from, and all other income and revenues derived by a Participant from, the ownership or operation of such Participant's System and such Participant's use of Regional Wastewater Facilities, excluding Regional Connection Fees and Local Connection Fees other than Available Local Connection Fees.

Participant Net Revenues means, with respect to each Participant, such Participant's Gross Revenues less such Participant's Operation and Maintenance Costs, for any Computation Period.

Participant Operation and Maintenance Costs or Participant's Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining the facilities which comprise a Participant's System during such period, as well as the Participant's share of Regional Operation and Maintenance Costs, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve such facilities in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, recycled water operations costs, legal judgments and assessments, other support services, and other similar costs, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, debt service and amortization of intangibles or other book-keeping entries of a similar nature.

Participant Parity Obligations means, as to each Participant, all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements), payable from Participant Net Revenues on a parity with the Participant's obligation to pay its Proportionate Share of Debt Service.

Participant System or Participant's System means, as to each Participant, the facilities of such Participant (excluding Regional Wastewater Facilities, if any, owned by such Participant) for the collection, transmission and disposal of wastewater to or through the Regional Wastewater Facilities, together with necessary pipes, pumps, valves and machinery and lands, easements and rights of way therefor; and other works, properties or structures necessary or convenient for the collection, transmission and disposal of wastewater, including all additions, betterments, extensions and improvements to such facilities or any part thereof.

Paying Participant is defined in Subsection 9.f(3).

Phase I Capacity means the wastewater treatment capacity actually provided by the first phase of the Pleasant Grove Plant (9.5 MGD). On the date the Pleasant Grove Plant begins wastewater treatment operations, the Participants' usage of Phase I Capacity shall be zero, notwithstanding the diversion of wastewater from the Dry Creek Plant, as set forth below. From and after that date, all increases in the Participants' usage of the wastewater treatment capacity of the Regional Wastewater Facilities shall be deemed to be usage of Phase I Capacity, until the entire amount of Phase I Capacity is used.

Pleasant Grove Plant means the regional wastewater treatment plant owned and operated by the City for the mutual benefit of the Participants and known as the "Pleasant Grove Wastewater Treatment Plant."

Proportionate Share means the percentage allocations among the Participants determined in accordance with Section 12.

Proportional Volumetric Share means the proportion of total yearly wastewater volume entering the Regional Wastewater Facilities that is attributable to the City, the District or the County, as applicable. The City shall determine, using information supplied by all Participants, the total yearly wastewater volume and each Participant's Proportional Volumetric Share on a Fiscal Year basis.

Rate Covenant Debt Service means, as to each Participant, such Participant's Proportionate Share of Debt Service, less the sum of (a) such Participant's Individual Rate Stabilization Fund Draw, and (b) any amounts paid on behalf of such Participant pursuant to Section 9.f(3).

Rate Stabilization Fund means the fund into which all Regional Connection Fees are deposited. The Rate Stabilization Fund may be held by the City in trust for the benefit of the Authority, in which event references in this Agreement to payments made, or received, by the Authority, shall be deemed to refer to payments made, or received, by the City on the Authority's behalf.

Reclaimed Water means treated wastewater that can be used for other purposes such as irrigation. Reclaimed Water is interchangeable with Recycled Water.

Recycled Water means treated wastewater that can be used for other purposes such as irrigation. Recycled Water is interchangeable with Reclaimed Water.

Regional Connection Fees means the connection fees imposed and collected by the Participants, pursuant to the applicable provisions of the Roseville Municipal Code, District ordinances, and County ordinances, for the purpose of funding expansions or modifications of, and/or improvements to, Regional Wastewater Facilities. If any Participant contributes additional amounts pursuant to Subsection 10.c in lieu of enacting and enforcing the minimum Regional Connection Fee recommended by the Authority, such additional amounts shall be deemed to be Regional Connection Fees for purposes of this Agreement.

Regional Operation and Maintenance Costs means, for any given period, the reasonable and necessary costs (both direct and incidental) of operating and maintaining Regional Wastewater Facilities during such period, calculated on sound accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve Regional Wastewater Facilities in good repair and working order, and reasonable amounts for administration (including, without limitation, costs of administration of the Participants' industrial pretreatment programs by the City, but only to the extent such costs are not chargeable to significant industrial users pursuant to Roseville Municipal Code Chapter 14.26), overhead, insurance, taxes (if any), labor, materials, water, electricity, natural gas, chemicals, employee bonds, vehicles, communications equipment,

improvements, replacements and rehabilitations, preventive maintenance, sludge disposal, environmental remediation, engineering services, analytical testing services, rents, right-of-way charges, legal judgments and assessments (including, without limitation, enforcement actions of the California Regional Water Quality Control Board), and other similar costs. Credit items, such as all salvage value of Regional Wastewater Facilities, and revenue from the sale of sludge or other products, except for reclaimed and recycled water, shall be credited first to Regional Operation and Maintenance Costs and then to each of the Participants based on their Proportional Volumetric Share.

Regional Wastewater Facilities means the Pleasant Grove Plant, the Dry Creek Plant, any other regional treatment plants constructed by the Authority or any of the Participants in the future to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants, and all Related Regional Infrastructure.

Related Regional Infrastructure shall mean trunk sewers, interceptor lines, force mains, pump stations, and all other wastewater infrastructure, constructed in conjunction with the Pleasant Grove Plant, the Dry Creek Plant, and/or other regional wastewater treatment plants constructed in the future, as appropriate and necessary to facilitate wastewater collection, conveyance, treatment, recycling, discharge, and disposal services collectively to all of the Participants. “Related Regional Infrastructure” shall not include trunk sewers, interceptor lines, force mains, pump stations, or any other wastewater infrastructure that (a) facilitate such services to only one or two of the Participants, or (b) are otherwise covered by other agreements providing for the apportionment of construction, operation and maintenance costs therefor, except for the agreements that are expressly superseded by this Agreement and the Operations Agreement.

Reserve Account means the account of that name created under the Indenture, or an equivalent account created under any Parity Bonds Instrument, as applicable.

Reserve Requirement has the meaning given thereto in the Indenture, or any Parity Bonds Instrument, as applicable.

Sub-Minimum Level means, for each Participant, an amount equal to the product of the Minimum Level multiplied by such Participant’s Proportionate Share.

Trustee means the Bank of New York Mellon Trust Company, N.A., which was appointed as Trustee under the Indenture, and any successor thereto. The term “Trustee” shall also mean trustee(s) under any Parity Bonds Instrument(s), as applicable.

Underfunded Participant is defined in Subsection 9.f(3).

User Charges means rates, fees and charges levied against customers for use of a Participant’s System and the Regional Wastewater Facilities, exclusive of Regional Connection Fees and Local Connection Fees.

EXHIBIT E

Methodology for Estimating County Flows

**TECHNICAL MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

TO: Ken Glotzbach, P.E. City of Roseville DATE: June 30, 2013

FROM: Reviewed by Dave Atkinson, P.E.
Prepared by Robin Mahoney, P.E.

SUBJECT: Flow Reporting Methodology Agreement

Background

Placer County and the City of Roseville formalized an agreement in 2009 in the form of a Technical Memorandum (TM) detailing the methodology by which Placer County sewer volumes entering the City of Roseville treatment system will be metered and estimated for the purposes of billing by the City of Roseville. The TM is being revised to account for the three new meters installed by the County in 2012.

Figures 1 through 4 (attached) depict areas and meters described in this technical memorandum.

Total Flow

Placer County sewer volumes shall be the sum of the volumes that flow into the City of Roseville from four sewer district areas; Sewer Maintenance District 2, the Sunset Industrial Park District, the Dry Creek District, and the Livoti District. The methods by which flows will be metered and/or estimated from each of these areas are presented below.

Sewer Maintenance District 2 (SMD 2)

Refer to Figure 1. Sewer volume from SMD 2 shall be determined using the following formula:

SMD-2 volume = (volume from Sierra College Flow Meter) + (volume from SMD 2 Meter) + (volume from PC-1)¹ – (volume from R-2)²

- ¹ PC-1 is a residential area. PC-1 volume estimations shall be calculated by multiplying the number of EDUs in these areas by 190 gallons per day for the period in question.
- ² R-2 is a commercial area including Safeway. R-2 volumes shall be estimated by the domestic water use in the area. City of Roseville shall report this use quarterly to Placer County.

The number of EDUs from PC-1 is currently 232.5. Placer County will provide the City of Roseville with current EDU numbers from PC-1 annually by January 15th.

Sunset-Whitney (CSA 28, Zone 2-A3)

Refer to Figure 2. Sewer volume from Sunset-Whitney shall be determined using the following formula:

Sunset-Whitney volume = (volume from Cincinnati Flow Meter) + (volume from Industrial Flow Meter)

Livoti (CSA 28, Zone 55)

Refer to Figure 3. Sewer volumes from Livoti shall be determined by multiplying the number of EDUs from PC-3 and PC-4 by 190 gallons per day for the period in question.

The number of EDUs from PC-3 and PC-4 is currently 17. This number is subject to change pending development. Placer County will provide the number of EDUs from these areas to the City of Roseville annually by January 15th.

Dry Creek (CSA 28, Zone 173)

Refer to Figure 4. Sewer volumes from Dry Creek shall be determined using the following formula:

Dry Creek volume = (volume from the City of Roseville meter located in a meter vault north of the primary clarifiers at the Dry Creek WWTP) + (volume from the American Vineyards Village)³.

- ³ Until approximately 96 homes are connected in American Vineyards Village (AVV) to achieve the minimum flow rates necessary to accurately meter the flow, sewer volumes from AVV shall be determined by multiplying the number of EDUs from this area by 190 gallons per day for the period in question.

The number of EDUs from AVV is currently 4. This number is subject to change pending development. Placer County will provide the number of EDUs from this area to the City of Roseville annually by January 15th.

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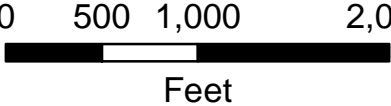
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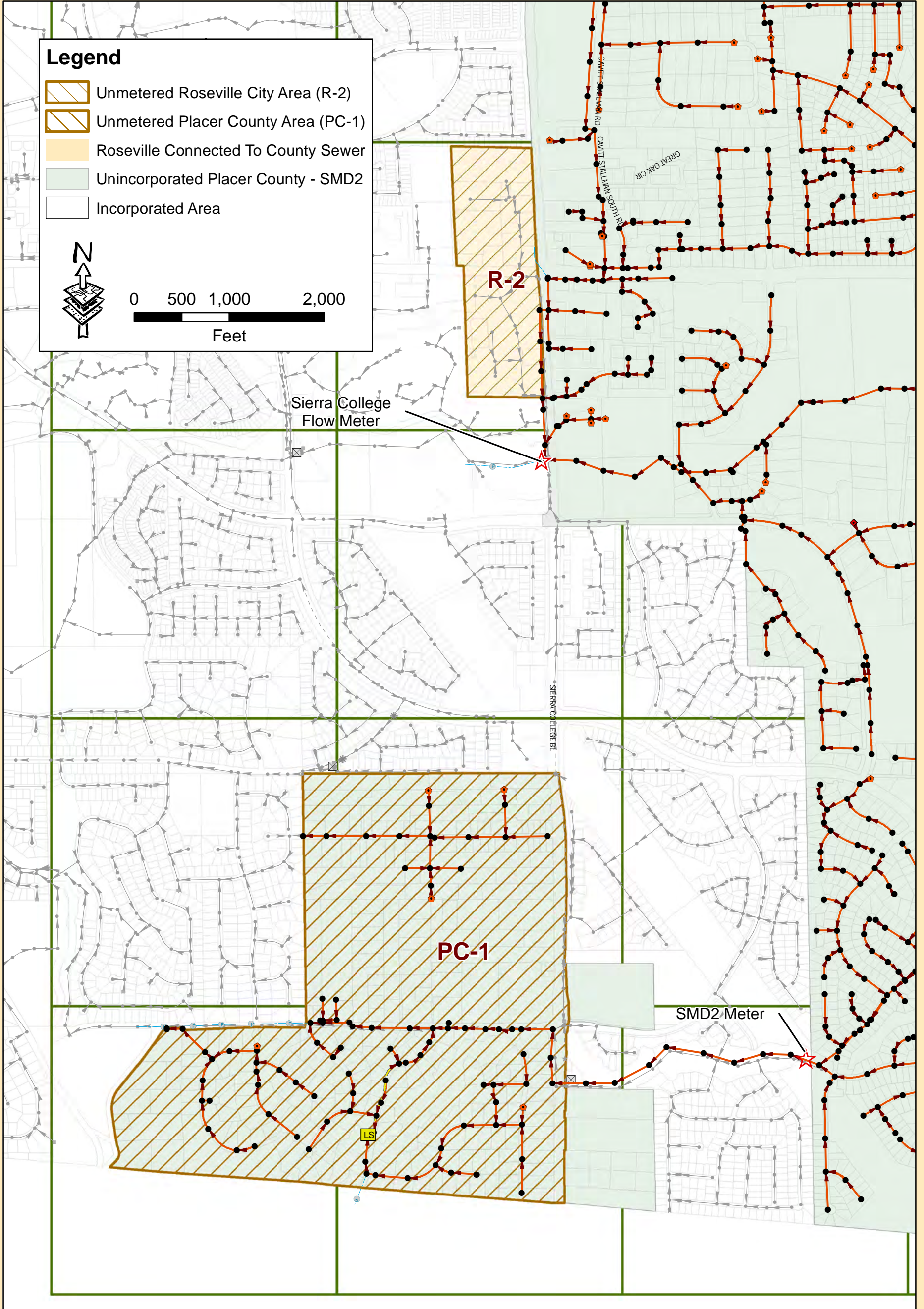
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Legend

-  Unmetered Roseville City Area (R-2)
-  Unmetered Placer County Area (PC-1)
-  Roseville Connected To County Sewer
-  Unincorporated Placer County - SMD2
-  Incorporated Area

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PLACER COUNTY (SMD 2) AND CITY OF ROSEVILLE SANITARY SEWER

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July 18, 2013

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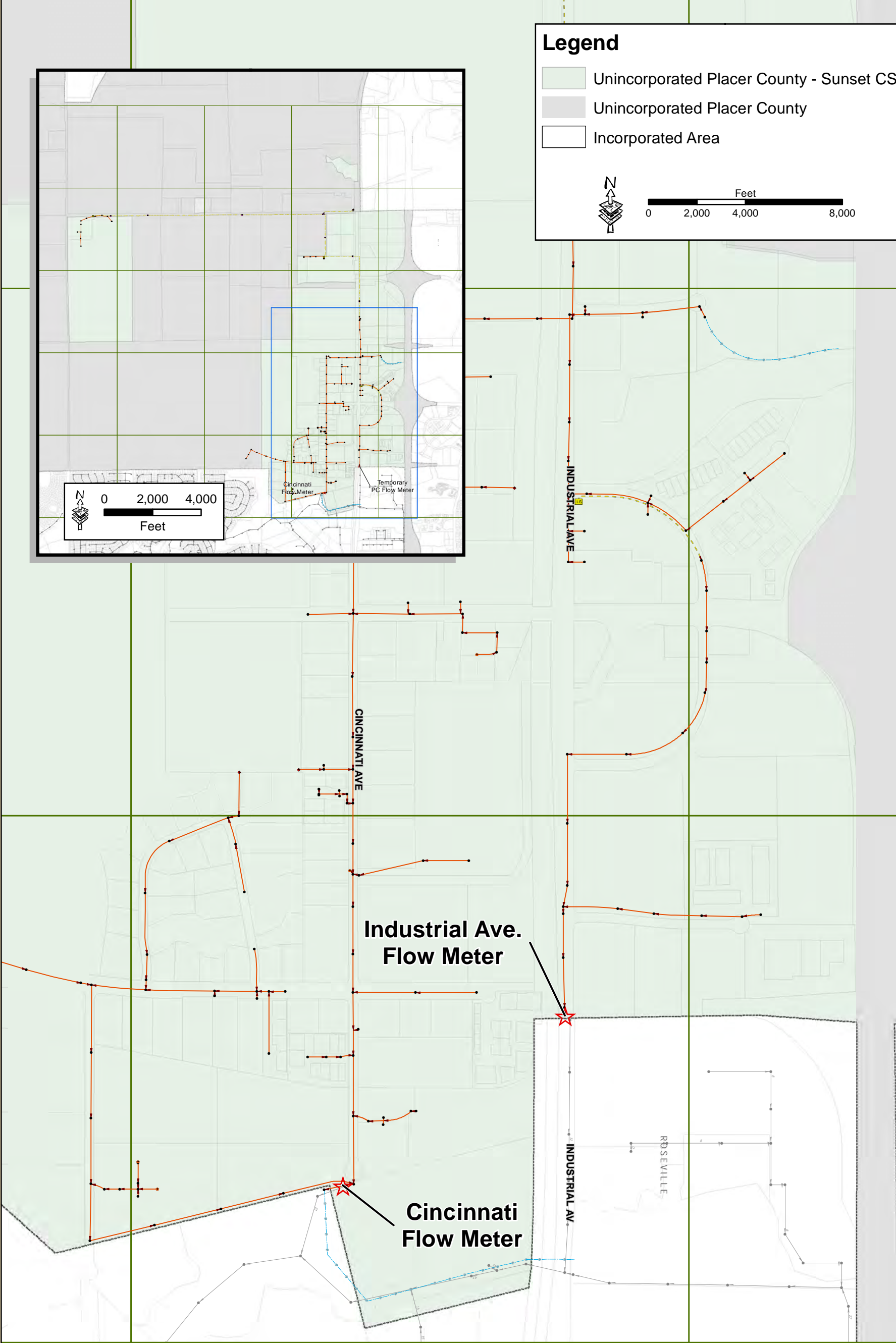
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Legend

- Unincorporated Placer County - Sunset CSA
- Unincorporated Placer County
- Incorporated Area

Cincinnati Flow Meter

Temporary PC Flow Meter

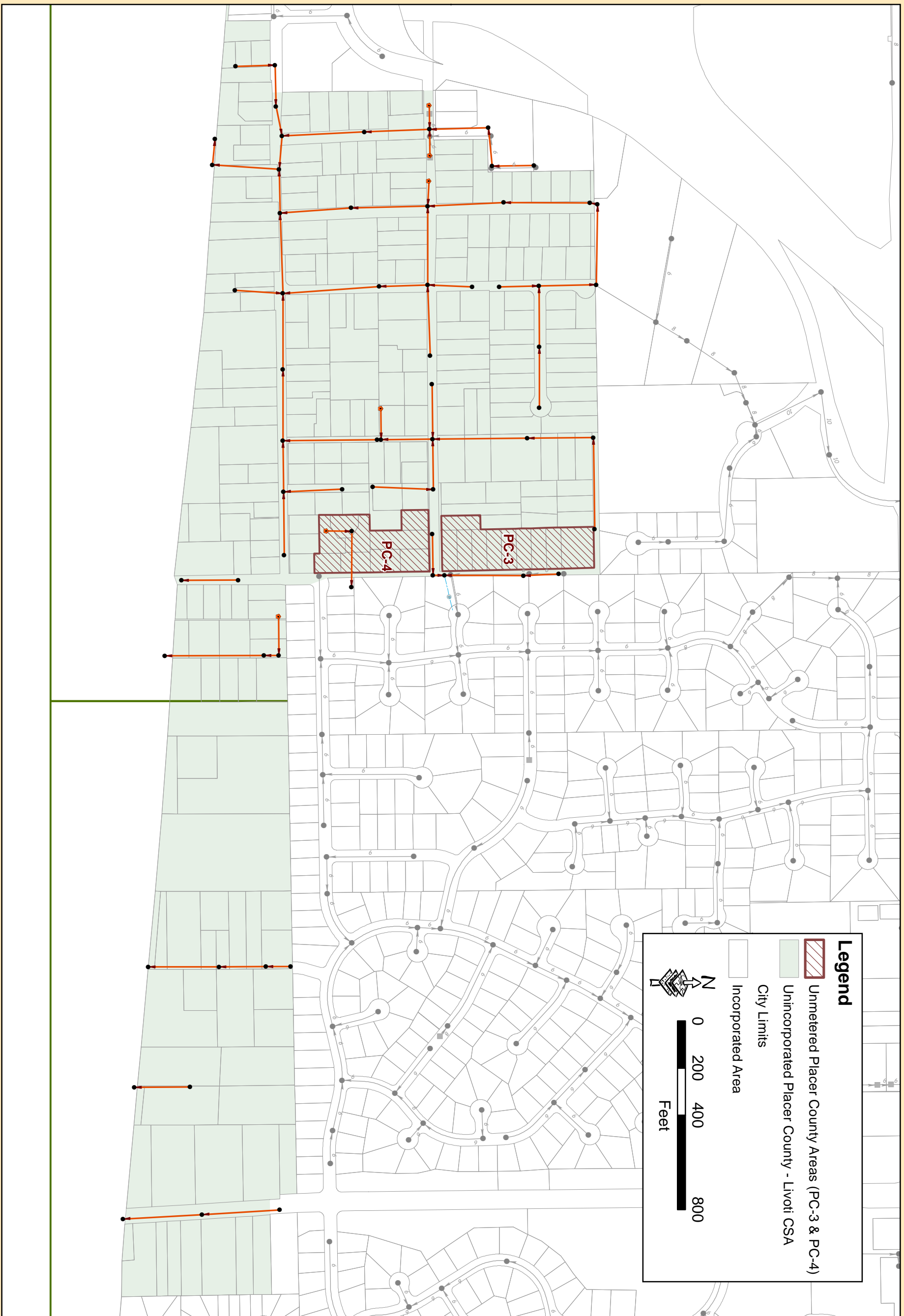


PLACER COUNTY (SUNSET INDUSTRIAL) AND CITY OF ROSEVILLE SANITARY SEWER

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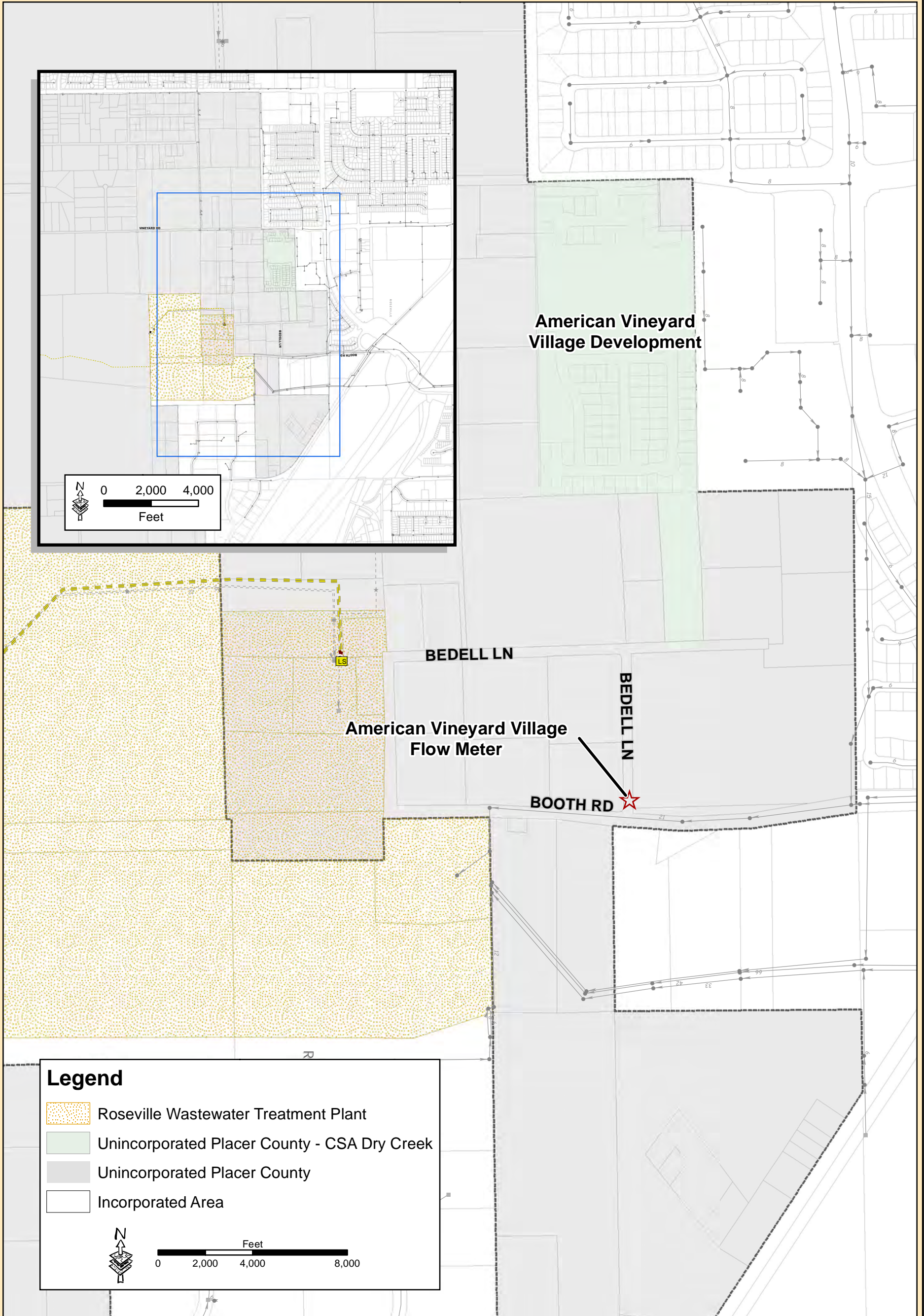
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**PLACER COUNTY (LIVOTI) AND
CITY OF ROSEVILLE SANITARY SEWER**

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KB



PLACER COUNTY (AMERICAN VINEYARD VILLAGE) AND CITY OF ROSEVILLE SANITARY SEWER

South Placer Wastewater Authority
Reallocation of Excess-UV Treatment Capacity Calculation
Prepared on October 1, 2018

2012 Funding Agreement Cost Allocation

	UV Treatment		Plant Treatment		Recycled Water		Total	
	\$	%	\$	%	\$	%	\$	%
City	31.72	49.55%	114.73	63.16%	13.1	100.00%	159.55	61.66%
SPMUD	16.99	26.54%	41.04	22.59%	0	0.00%	58.03	22.43%
County	15.31	23.91%	25.87	14.24%	0	0.00%	41.18	15.91%
Total	64.02	100.00%	181.64	100.00%	13.1	100.00%	258.76	100.00%

Current UV Treatment Breakout

	Pre-2000									Total		
	Pre-2000			through Buildout			Excess UV Capacity			MGD	\$	%
	MGD	\$	%	MGD	\$	%	MGD	\$	%			
City	4.72	9.16	55.99%	7.94	15.40	63.17%	3.69	7.16	30.75%	16.35	31.72	49.55%
SPMUD	2.57	4.99	30.49%	2.84	5.51	22.59%	3.35	6.50	27.92%	8.76	16.99	26.55%
County	1.14	2.21	13.52%	1.79	3.47	14.24%	4.96	9.62	41.33%	7.89	15.31	23.91%
Total	8.43	16.35	100.00%	12.57	24.39	100.00%	12.00	23.28	100.00%	33.00	64.02	100.00%

Proposed UV Treatment Breakout

	Pre-2000			Pre-2000			Excess UV Capacity			Total		
	MGD	\$	%	MGD	\$	%	MGD	\$	%	MGD	\$	%
	City	4.72	9.16	55.99%	7.94	15.40	63.17%	7.58	14.71	63.17%	20.24	39.27
SPMUD	2.57	4.99	30.49%	2.84	5.51	22.59%	2.71	5.26	22.59%	8.12	15.76	24.61%
County	1.14	2.21	13.52%	1.79	3.47	14.24%	1.71	3.32	14.24%	4.64	9.00	14.06%
Total	8.43	16.35	100.00%	12.57	24.39	100.00%	12.00	23.28	100.00%	33.00	64.02	100.00%

Proposed Cost Allocation

	UV Treatment		Plant Treatment		Recycled Water		Total		Proposed Change
	\$	%	\$	%	\$	%	\$	%	
City	39.27	61.33%	114.73	63.16%	13.1	100.00%	167.10	64.57%	2.91%
SPMUD	15.76	24.61%	41.04	22.59%	0	0.00%	56.80	21.95%	-0.48%
County	9.00	14.06%	25.87	14.24%	0	0.00%	34.87	13.48%	-2.43%
Total	64.02	100.00%	181.64	100.00%	13.1	100.00%	258.76	100.00%	

**Attachment 6: Participants Rate Stabilization
Fund (with/out amended Funding Agreement)**

Current 10/10/18	61.66%	22.43%	15.91%
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Changes in RSF Balances from July 1, 2017 to June 30, 2018:

	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Connection Fees	\$ 11,557,556	\$ 5,512,844	\$ 689,400	\$ 17,759,800
Reimbursements	-	-	500,000	500,000
Interest	1,073,528	744,313	(55,616)	1,762,225
Total Revenues	12,631,084	6,257,157	1,133,784	20,022,025
Expenses:				
Capital	1,224,806	445,546	316,035	1,986,387
Debt Service	9,047,858	3,291,332	2,334,599	14,673,789
Administrative	88,256	32,105	22,773	143,134
Total Expenses	10,360,920	3,768,983	2,673,407	16,803,310
Increase/(Decrease) in RSF Balances	2,270,164	2,488,174	(1,539,623)	3,218,715
Beginning Balance, as of July 1, 2017	72,703,913	50,257,037	(2,652,334)	120,308,616
Ending Balance, as of June 30, 2018	\$ 74,974,077	\$ 52,745,211	\$ (4,191,957)	\$ 123,527,331

Changes in RSF Balances from July 1, 2018 to August 31, 2018:

	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Connection Fees	\$ 813,910	\$ 365,694	\$ -	\$ 1,179,604
Reimbursements	-	-	-	-
Interest	(52,752)	(36,598)	2,856	(86,494)
Total Revenues	761,158	329,096	2,856	1,093,110
Expenses:				
Capital	34,383	12,507	8,872	55,762
Debt Service	(299,998)	(109,130)	(77,408)	(486,536)
Administrative	10,059	3,659	2,595	16,313
Total Expenses	(255,556)	(92,964)	(65,941)	(414,461)
Increase/(Decrease) in RSF Balances	1,016,714	422,060	68,797	1,507,571
Beginning Balance, as of July 1, 2018	74,974,077	52,745,211	(4,191,957)	123,527,331
Ending Balance, as of August 31, 2018	\$ 75,990,791	\$ 53,167,271	\$ (4,123,160)	\$ 125,034,902
	\$ -	\$ -	\$ -	\$ -

**Attachment 7: Participants Rate Stabilization
Fund (with amended Funding Agreement)**

Proposed 10/10/18 **64.57%** **21.95%** **13.48%**

Changes in RSF Balances from July 1, 2017 to June 30, 2018:

	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Revenues:				
Connection Fees	\$ 11,557,556	\$ 5,512,844	\$ 689,400	\$ 17,759,800
Reimbursements	-	-	500,000	500,000
Interest	958,242	762,130	41,851	1,762,223
Total Revenues	<u>12,515,798</u>	<u>6,274,974</u>	<u>1,231,251</u>	<u>20,022,023</u>
Expenses:				
Capital	1,282,610	436,013	267,765	1,986,388
Debt Service	9,474,868	3,220,897	1,978,027	14,673,792
Administrative	92,422	31,419	19,295	143,136
Total Expenses	<u>10,849,900</u>	<u>3,688,329</u>	<u>2,265,087</u>	<u>16,803,316</u>
Increase/(Decrease) in RSF Balances	1,665,898	2,586,645	(1,033,836)	3,218,707
Beginning Balance, as of July 1, 2017	65,131,906	51,424,290	3,752,407	120,308,603
Ending Balance, as of June 30, 2018	<u>\$ 66,797,804</u>	<u>\$ 54,010,935</u>	<u>\$ 2,718,571</u>	<u>\$ 123,527,310</u>

Changes in RSF Balances from July 1, 2018 to August 31, 2018:

	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Revenues:				
Connection Fees	\$ 813,910	\$ 365,694	\$ -	\$ 1,179,604
Reimbursements	-	-	-	-
Interest	(47,219)	(37,455)	(1,821)	(86,495)
Total Revenues	<u>766,691</u>	<u>328,239</u>	<u>(1,821)</u>	<u>1,093,109</u>
Expenses:				
Capital	36,006	12,240	7,517	55,763
Debt Service	(314,156)	(106,794)	(65,585)	(486,535)
Administrative	10,533	3,581	2,199	16,313
Total Expenses	<u>(267,617)</u>	<u>(90,973)</u>	<u>(55,869)</u>	<u>(414,459)</u>
Increase/(Decrease) in RSF Balances	1,034,308	419,212	54,048	1,507,568
Beginning Balance, as of July 1, 2018	66,797,804	54,010,935	2,718,571	123,527,310
Ending Balance, as of August 31, 2018	<u>\$ 67,832,112</u>	<u>\$ 54,430,147</u>	<u>\$ 2,772,619</u>	<u>\$ 125,034,878</u>
	\$ -	\$ -	\$ -	\$ -

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

STAFF REPORT

To: Board of Directors

From: Herb Niederberger, General Manager

Cc: Joanna Belanger, Administrative Services Manager

Subject: **Approval of General Manager's Goals for 2019**

Meeting Date: January 3, 2019

Overview

During the evaluation of the General Manager's performance, conducted on December 6, 2019, the Board requested that the General Manager's goals for the upcoming year be reviewed. Listed below are a list of goals for 2019, along with a list of items programmed for 2019. These items were reviewed by the President's Committee on December 13, 2018, and are being forwarded to the Board for discussion and approval

Goals 2019

1. Strategic Plan Goal 1.3 Transparency - Renew SDLF Transparency Certification
2. Strategic Plan Goals 2.6, 3.4, 4.4, 5.7 and 6.4 Performance Measures- Work with Managers to develop viable performance measures tied to Strategic Plan
3. Strategic Plan Goal 3.1: Plan all projects to ensure adherence to District standards and ordinances - Revisit the SECAP earlier than 2020 and consider the potential for increased density in excess of current General Plan designations and the potential need for infrastructure upsizing to accommodate such densification.
4. Strategic Plan Goal 5.1 Maintain rates to meet financial needs, operational demands, regulatory requirements and customer expectations - Evaluate Financial Performance and report to both Fee and Finance Advisory Committee and Board
5. Strategic Plan Goal 5.2 Business Practices Alternatives - Re-evaluate current CalPERS and OPEB funding policies and propose alternatives if necessary; report to both Fee and Finance Advisory Committee and Board
6. Strategic Plan Goal 5.3: Maintain financial responsibility by ensuring allocated funding sources are adequate to meet expenses; and that available funds and resources are managed efficiently- Develop plan to disposal of excess assets such as the NSD property
7. Strategic Plan Goal 5.4 Annual budgets and acceptable audits - Obtain GFOA Award for Financial Reporting
8. Strategic Plan Goal 6.3 Evaluate Organization Staffing - Revise and make current Job Descriptions for all employees
9. Strategic Plan Goal 6.3 Evaluate Organization Staffing - Develop Succession Plan for direct reports; establish staffing triggers

ITEM VI.4

Programmed 2019 Items:

January

- President change-over
 - a. Current President [Jerry] dissolves existing advisory committees
 - b. Per Policy 4055, the current Vice-President [Jim] ascends to the presidency
 - c. The new President [Jim] will entertain nominations for a new Vice-President, [John] entertain a motion on a nominee and vote on said motion
 - d. New President will appoint any new advisory committees
 - ✓ Policy and Ordinance
 - ✓ Fee and Finance
 - ✓ Personnel
 - ✓ Loomis 2x2
 - ✓ SPWA Representative
- SPWA Amended JPA, Funding & Operations Agreements
- GM 2019 Goals

January Workshop

- Board Member Workshop/Orientation

February

- Mid-year budget review and adoption of revisions
- Report on SPWA issues

March

- Approval of Job Descriptions
- Foothill Trunk Award of Construction

April

- Acceptance of Succession Plan

June

- FY 19-20 Budget Workshop

July (move to June 28, 2019)

- Adopt 19-20 Budget
- Report on SPWA Issues

August

- SECAP Update
- Disposal of Assets Workshop

September

- Strategic Plan Annual Report
- Bi-Annual Conflict of Interest Review

December

- Final Audit and Consolidated Annual Financial Report

Recommendation

Staff recommends that the Board of Directors review, comment, edit and approve the list of 2019 Goals and Programmed Items and return to the General Manager for implementation.

Strategic Plan Goals

The General Manager's goals for 2019 are tied to specific Strategic Plan goals.

Related District Ordinances or Policies

Policy 4041 – Delegation to the General Manager

Policy 4042 – Board-General Manager Relationship and Responsibilities

Fiscal Impact

The specific fiscal impact associated with these actions will be addressed at the time of project approval or budget.

ITEM VII.2 GENERAL MANAGER REPORT

To: Board of Directors

From: Herb Niederberger, GM

Date: January 3, 2019

Subject: General Manager Monthly Staff Report – December 2018

1) DEPARTMENT REPORTS

Attached are the monthly status reports for the Boards information:

- A. Facility Services Department
- B. Administrative Service Department, and
- C. Technical Services Department

The Department Managers are prepared to answer any questions from the Board.

2) INFORMATION ITEMS

- A. On December 5, 2018, the General Manager, with the District Superintendent, Sam Rose, and District Engineer, Eric Nielsen, participated in the interviews for the Field Services Supervisor Position recently vacated by the departure of Jeff Brackenbury.
- B. On December 19, 2018, the General Manager met District Legal Counsel to discuss: 1) CASSE Disclosures Under PRA; 2) Board of Directors Orientation Book/Workshop; 3) City of Rocklin Construction Cooperation Agreements /Board direction on authorizations; 4) Disposal of Surplus Land; 5) Assignment of Delinquent Participation Fees; and 6) Memo to file re: Section 218 Agreement with the SSA.
- C. The General Manager was out of the office from December 21, 2018 through December 26, 2018.
- D. Advisory Committee Meetings:
 - a. On December 13, 2018, the President's Committee, consisting of President Mitchell and President - Elect Williams, met to review the General Manager's goals and items programmed for 2019.
 - b. On December 18, the Personnel Advisory Committee of Directors Dickinson and Murdock met to review revised job descriptions for the General Manager, Administrative Services Manager, District Engineer, District Superintendent, and Assistant Superintendent positions. The job descriptions will be edited to incorporate the advisory committee comments and forwarded to the Board for approval at the March Board Meeting,

There were no other advisory committee meetings in December.

3) **LONG RANGE AGENDA**

February 2019

Mid-Year Budget Update
Report on SPWA

March 2019

Approval of Job Descriptions
Foothill Trunk Award of Construction

April 2019

Acceptance of Succession Plan

June 2019

FY 19-20 Budget Workshop

July 2019 (move to June 28, 2019)

Adopt 19-20 Budget
Report on SPWA Issues

August 2019

SECAP Update
Disposal of Assets Workshop

September 2019

Strategic Plan Annual Report
Bi-Annual Conflict of Interest Review

December 2019

Final Audit and Consolidated Annual Financial Report
General Manager's Performance Evaluation

To: Board of Directors
From: Sam Rose, Superintendent
Cc: Herb Niederberger, General Manager
Subject: Field Services Department Monthly Report
Meeting Date: January 3, 2019

Overview

This report provides the Board with an overview of Field Services operations and maintenance activities from 11/27/2018 through 12/19/2018. The work listed is not all inclusive.

1. Recordable Accidents/Injuries (OSHA 300)

- a. Zero (0)
 - i. 838 days without a Recordable Injury

2. Service Calls, Sanitary Sewer Overflows (SSOs) and Lift Station Alarm Calls

- a. Service Calls
 - i. Fifteen (15)
 - A. 9 - Customer's Responsibility
 - B. 4 - SPMUD Responsibility
 - C. 2 - Other
- b. Sanitary Sewer Overflows (SSOs)
 - i. One (1)
 - A. Eighteen (18) Days since last SSO
- c. Lift Station Calls
 - i. Six (6)

3. Safety/Training/Professional Development

- a. All Field employees participated in:
 - i. Four (4) "Tailgate" safety sessions.
 - ii. Lift Station Emergency Response
 - iii. Lift Station Portable Generator Training
 - iv. Welding/Hot Work

4. Maintenance

a. CCTV Mainline Segments	139 Segments
b. CCTV Service Laterals	58 Laterals
c. Hydro-Clean Mainline Segments	89 Segments
d. Hydro-Clean Service Laterals	01 Laterals
e. Manhole Inspections	132 Manholes
f. Manhole Cleaning	05 Manholes
g. Rodded/Cleaned Service Laterals	01 Laterals
h. Creek-Crossing Inspections	16 Crossings
i. Chemical Root Treatment (Mainline)	00 Segments
j. Chemical Root Treatment (Lateral)	00 Laterals
k. Easement Maintenance	00 Easement(s)
l. Easement Reconstruction	00 Easement
m. Easement Inspections	00 Easements
n. Vector Control (Cockroaches)	00 Manholes
o. Smoke Testing	00 Segments

5. Construction

a. Service Taps	03 Taps
b. Lateral Installs	03 Laterals
c. Property Line Cleanout Work	
i. Repaired	04 Cleanouts
ii. Installed	03 Cleanout
d. Mainline Repair	01 Mainline
e. Service Lateral Repair	01 Lateral
f. Service Cap-Off	00 Services
g. Manhole Rehabilitation	04 Manholes

6. Facilities

a. Lift Station Operations Checks	35 Operation Checks
b. Lift Station Repair	03 Repairs Performed
c. Lift Station Wet Well Cleaning	13 Wet Wells
d. Lift Station Site Maintenance	00 Sites
e. Flow Recorder Inspection	11 Sites
f. Portable Flow Rec. Installations	00 Installations
g. Corp Yard Water Facility	02 Operational Checks
h. Vehicle/Equip Maintenance	05 Work Orders
i. Vehicle/Equip Inspections	18 Work Orders
j. Corp Yard Maint. /Improvements	02 Work Orders

7. Miscellaneous

- a. Field Supervisor, Jeff Brackenbury, resigned. Jeff worked for us for 2.5 years.
 - i. Chad Stites was promoted from his Lead Worker Position to replace Jeff
 - ii. Scott Perry was promoted from his Maintenance Worker/Inspector position to replace Chad.
 - iii. Staff will fill the Maintenance Worker/Inspector position by promotion
 - iv. The District is currently advertising for a Maintenance Worker position

ITEM VII. ASD REPORT

To: Board of Directors

From: Joanna Belanger, Administrative Services Manager

cc: Herb Niederberger, General Manager

Subject: Administrative Services Department Monthly Report

Board Mtg. Date: January 3, 2019

Website Platform update

Staff is working on the updates to the new District website. After reviewing the content uploaded to the site, we anticipate launching the site to the public in the early part of January 2019.

Laserfiche Records Management Software

Staff has completed its review of Archiving/Records Management systems. The Laserfiche software has been selected as the best suited for the needs of the District. The site ensures compliance for certified records, stores one copy of a record in a centralized repository which saves time by applying disposition schedules to incoming records. Next steps for the project involve preparing documents for scanning and deciding on naming conventions and organization within the software.

Commercial & Residential Account Review

Administrative Services continue to audit both Residential and Commercial Accounts within the District with the assistance of Inspection services in TSD. Notifications and updated bills continue to be sent upon review with any necessary adjustments per Policy 3160 – Utility Billing Reconciliation & Payment Policy.

Employment Recruitments:

Maintenance Worker I Position

With recent internal promotions there is now an open Maintenance Worker I position. The District is currently recruiting for this entry level position. We hope to have a new employee in place by mid-January.

Student Intern Position

The District continues to recruit for the position of Student Intern.

ITEM VII. TSD REPORT

To: Board of Directors
From: Eric Nielsen, District Engineer
Cc: Herb Niederberger, General Manager
Subject: Technical Services Department Monthly Report
Board Date: January 3, 2019

Loomis Diversion Trunkline Project

T&S Construction (T&S) completed the items on the project punchlist and the Notice of Completion is being presented to the Board for project acceptance at this Board Meeting.

Foothill Trunk Sewer Replacement Project

The State Historic Preservation Officer (SHPO) and the United Auburn Indian Community (UAIC) have provided comments on the draft Memorandum of Agreement and Historic Properties Treatment Plan. Those comments are being incorporated by the U.S. Army Corps of Engineers (Corps). The project awaits the issuance of the 404 permit before work can begin.

Assuming permits are issued, staff plans to put the project out to bid this month and awarding the construction project in early 2019 for construction in 2019.

FOG (Fats, Oils, and Grease) Program

District staff commenced with the inspection of food service establishments (FSEs). Two FSEs that had active enforcement actions have met all requirements and those enforcement actions are now closed.

District staff continues to coordinate with SwiftComply (provider of an inspection/compliance tracking database tool which interfaces with Lucity) to bring this tool online. Letters have been sent to service providers and letters will soon be sent to FSEs to enroll with accounts. The implementation plan and schedule show the tool being operational by the middle of March 2019. The objective of these efforts is to improve the efficiency and effectiveness of FOG inspection efforts and compliance results.

Lucity

Staff is working to leverage the existing capabilities of the District's computerized maintenance management system (i.e., Lucity) to support various workflows. Staff is currently working to enhance the use of Lucity in the following areas: FOG inspections, tracking the review of tenant improvements and development plans, and high frequency cleaning of sewer mains.

CWEA Collection System of the Year Application

The District was awarded the California Water Environment Association (state member association of the Water Environment Federation) Collection System of the Year - Medium

Category (250-500 miles of sewer pipe) for the local Sacramento Area Section. Additionally, Travis Wilson was selected as the Collection System Person of the Year. Both Travis and the District will now be included in the evaluation for the corresponding statewide awards. The local section awards will be presented at the Sacramento Area Section Awards Banquet on January 18th.

Department Performance Indicators

The following charts depict the efforts and performance of the department in three areas of work as of December 20th. Additional charts may be added in the future for other areas of work in the department.

