

EXHIBIT 11 – COUNTY R&R FUNDING PLAN

The County of Placer funds repair and replacement (R&R) needs of its wastewater facilities through a monthly charge paid by its customers. The County will continue this practice for the R&R needs related to the Regional Facilities and SMD 1 users. A component of the SMD 1 rates that were authorized by the County Board of Supervisors on May 7, 2013 was a \$4.50 per EDU per month charge specifically for the County's share of the estimated R&R costs of the Regional Facilities. This charge will generate approximately \$430,000 per year.

In conjunction with the City of Lincoln, the County is currently completing a study to confirm whether \$430,000 per year is sufficient to fund the County's share of the anticipated R&R costs of the Regional Facilities. Based on the findings of the R&R study, the rates charged to SMD 1 users will be adjusted accordingly at the time the County revisits its SMD 1 rates.

It is the County's intent to collect sufficient funds from its customers so that its share of all R&R Project costs can be cash funded, without the need to borrow money and incur additional borrowing costs. As R&R funds are collected, the County designates the money in an appropriate reserve account. As part of the County's ongoing review of the sufficiency of its rates, the County intends to periodically review the amount of funds set aside for R&R along with the anticipated R&R project costs to ensure that ongoing R&R collections are sufficient to cash fund expenditure needs and will adjust rates accordingly.