APPENDIX “L”

PLACER COUNTY

CONSTRUCTION, OPERATIONS, AND JOINT POWERS AMENDMENT AND AGREEMENT WITH THE CITY OF LINCOLN

13358-A

Attachment 2
Amendment 1 to COJA

RECEIVED
JUL 23 2015 HD Christie 4:54 p.m.
Placer County Counsel

RECEIVED
JUL 17 2015 4:30 KT
Placer County Counsel

FIRST AMENDMENT TO CONSTRUCTION, OPERATIONS AND JOINT EXERCISE OF POWERS AGREEMENT

by and among

COUNTY OF PLACER

and

CITY OF LINCOLN

made as of

August 7, 2015

First Amendment to Construction, Operations and Joint Exercise of Powers Agreement

THIS FIRST AMENDMENT TO CONSTRUCTION, OPERATIONS AND JOINT EXERCISE OF POWERS AGREEMENT ("Amendment No. 1") is made as of the 7 day of August, 2015, by and among the COUNTY OF PLACER, a political subdivision of the State of California ("County") and the CITY OF LINCOLN, a city duly organized and existing under the laws of the State of California ("Lincoln").

Recitals

WHEREAS, the County and Lincoln entered into that certain Construction, Operations and Joint Exercise of Powers Agreement ("COJA ") dated October 16, 2013 for the construction and operation of the Mid-Western Placer Regional Sewer Project ("MWPRS Project").

WHEREAS, the County and the City of Auburn entered into a funding agreement in November, 2013 addressing payment by the City of Auburn for construction of certain MWRSP Project elements to accommodate potential City of Auburn flows at a future date.

WHEREAS the MWPRS Project is currently under construction with initial testing and project completion anticipated in 2015.

WHEREAS, during the course of construction, the County and Lincoln have identified certain construction and implementation matters that the parties believe are best addressed through an amendment to the COJA.

WHEREAS, the Parties wish to amend the COJA as set forth below.

NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Section 1.1.58 is hereby added to the COJA and reads in its entirety as follows:

> "**1.1.58 "Excess Allowable Staff Costs"** means Allowable Staff Costs in excess of those permitted for reimbursement as defined under "Allowable Staff Costs". The parties agree that Lincoln may request reimbursement of Excess Allowable Staff Costs in the form of a prepayment of the "Oversizing Payment". Such prepayment will be made for "Allowable Staff Costs" and shall not exceed an aggregate amount of One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00). The aggregate of the Allowable Staff Costs and the Excess Allowable Staff Costs in a calendar month may not exceed that percentage of the amount shown for "Project Management/Administration" in Exhibit 5-1 that is equal to the percentage completion of construction of the overall Lincoln-County Project. In the event that the "Oversizing Payment" is less than $1,250,000.00, Lincoln will reimburse the County for any prepayment received that exceeds the "Oversizing Payment" at the time the "Oversizing Payment" would have been paid as defined in Section 4.2.3 herein."

2. Section 3.3.1 is hereby added to the COJA and reads in its entirety as follows:

> "**3.3.1** The parties agree and acknowledge that the County and Auburn have entered into that certain "Funding Agreement Relating to the Mid-Western Placer Regional Sewer Project" ("County-Auburn Funding Agreement") dated November, 2013 addressing Auburn's payment for additional construction costs associated with accommodating

Auburn flows when and if Auburn purchases project capacity in the future. A copy of the County-Auburn Funding Agreement is attached as Exhibit 19 hereto. County and Lincoln agree and acknowledge that the County-Auburn Funding Agreement provides for the upsizing of the portions of the Regional Facilities, more fully described in Exhibit 1 as the Junction Structure, the Joint Export Sewer, and the Energy Dissipation Structure. The County and Lincoln further agree that the Capital Charge includes Two Million and Ninety One Thousand Dollars ($2,091,000.00) to cover the cost of the upsizing of these Regional Facilities for the benefit of Auburn. Lincoln shall provide all information reasonably required by the County to fulfill the County's obligations under the County-Auburn Funding Agreement. At County's request, Lincoln shall provide a break-out of the costs attributable to the portions of the Regional Facilities being upsized for the benefit of Auburn as described herein."

3. Section 4.2.5(a)(ii) is hereby added to the COJA and reads in its entirety as follows:

"**(ii)** The parties agree that the ENR Construction Cost Index on February 1, 2012, was 9198, and the ENR Construction Cost Index on the Adjustment Date was 9835. The parties agree that this ENR change results in a percent increase of Six and 93/100 Percent (6.93%) over the February 1, 2012, to July 1, 2014 period specified in Section 4.2.5.(a) herein, which is Four and 93/100 Percent (4.93%) greater than the Two Percent (2%) allowance included in the Capital Charge. Based on the adjustment procedure specified in 4.2.5.(a), the Capital Charge is hereby increased by Two Million Five Hundred Fourteen Thousand Three Hundred Dollars ($2,514,300.00) and the total escalation of Three Million Five Hundred Thirty Four Thousand Three Hundred ($3,534,300.00) is hereby added to Capital Contingency."

4. COJA Section 4.3.2 is hereby amended and restated in its entirety to read as follows:

"**4.3.2 Approved Design and Permits.** Lincoln will do all things necessary to construct the Lincoln-County Project according to the Approved Design. Lincoln will obtain all permits, licenses and other approvals per the DERA and as necessary to construct the Lincoln- County Project, and, subject to the remainder of this Section 4.3.2, pay all associated charges and fees. The County agrees to waive for Lincoln any processing fees that the County normally charges for permits issued by the County. Lincoln agrees that the Capital Costs will include up to a total cost of Two Hundred Thousand Dollars ($200,000.00) for County staff time associated with the inspection of road restoration in County maintained roads incident to the construction of the Lincoln-County Project charged by the County's Department of Public Works (DPW) and Community Development Resource Agency (CDRA), provided that if the County demonstrates by reasonable documentation that additional inspection by DPW or CDRA is required due to the failure of Lincoln's contractors or CM to perform work in accordance with County road restoration standards, and provided that written notice is given to Lincoln by the County within 14 days of the work claimed to not meet the County road restoration standards, then the additional required inspection costs by DPW or CDRA will be chargeable to Lincoln and reimbursable as Capital Costs but without adjusting the Capital Charge, all subject to Lincoln's right to dispute such charges and/or claims of non-conforming work. Any dispute regarding additional DPW or CDRA inspection will be resolved per Article 7. Signed copies of all permits and licenses must be submitted to the County and State Water Board prior to commencement of construction work. Subject to Section 4.2.5(b), the Authorized Representatives of Lincoln and the County must each approve any changes in the Approved Design prior to the construction of any such

changes. In addition, any substantial change in the scope of the Lincoln-County Project must be approved in advance by the State Water Board prior to executing any COJA Change Order or change order with a contractor for such change.

5. COJA Section 4.3.19 is hereby amended and restated in its entirety to read as follows:

4.3.19 Demolition of Storage Building. The parties agree and acknowledge that the County has demolished the storage building near the planned pump station at the SMD 1 WWTP Site, and that County has removed the contents of that storage building at County's expense. The parties agree that this work was completed in April 2014.

6. Section 4.3.22 is hereby added to the COJA and reads in its entirety as follows:

"**4.3.22 Virginiatown Road and Fowler Road Paving.** For the portion of Virginiatown Road and Fowler Road that lies within the limits of the Regional Project, approximately from STA 55+25 to 257+00, not including any work in Gold Hill Roads (the "Repavement Area"), the parties agree as follows:

(a) Lincoln shall:

(i) Perform final acceptance testing of pipeline within the limits of the Repavement Area to insure that no future cuts in the new pavement surface are necessary. The parties agree that, per County standard plate U26.1, cuts in new pavement are not allowed for five (5) years. In the event cuts are necessary within that time period due to trench or pipe failure, Lincoln agrees that it shall be responsible to repave the trench cut area a minimum of three inch (3") thick, from edge of pavement to edge of pavement, and ten feet (10') on either side of the trench cuts.

(ii) Complete all repairs and replacements of storm drain culverts impacted by the project within the Repavement Area prior to County taking over the maintenance obligation, including, but not limited to, final repair and replacement of existing asphalt concrete (AC) to a depth of not less than three inches (3") per contract specifications.

(iii) Repair and recompact all failed trench locations within the Repavement Area, including but not limited to, final repair and replacement of existing AC to a depth of not less than three inches (3") per contract specifications

(iv) Item (i) above will be completed no later than September 1, 2015. All costs associated with a delay beyond September 1, 2015 will be paid solely by Lincoln and shall not increase the Capital Cost.

(v) Items (ii), and (iii) above will be completed no later than August 9, 2015. All costs associated with a delay beyond August 9, 2015 will be paid solely by Lincoln and shall not increase the Capital Cost.

(vi) Lincoln agrees and acknowledges that as the utility owner of the sewer infrastructure located beneath and appurtenant to the Repavement Area, Lincoln shall be solely responsible to raise all "iron" after completion of the paving by the County, at Lincoln's sole expense.

(vii) Lincoln shall, by August 1, 2015 and consistent with the established COJA pay application process, deliver a pay application request to the Paying Agent including a request for the Paying Agent to forward to a County fund as designated by the County the amount of Four Hundred Ninety Seven Two Hundred Eight Five and 83/100 dollars ($497,285.83) for paving the Repavement Area.

(b) County shall:

(i) Upon completion by Lincoln of the actions described in 4.3.22 (a) (i) through (vi) inclusive, County shall assume all obligations for maintenance, repair and resurfacing of the Repavement Area, with the exception that Lincoln shall be solely responsible for any costs associated with cutting into the new pavement within five (5) years as delineated in 4.3.22 (a) (i) above.

(ii) Assume all responsibility for maintenance, repair and resurfacing costs for the Repavement Area that exceed Four Hundred Ninety Seven Two Hundred Eighty Five and 83/100 dollars ($497,285.83).

(iii) In order to provide sufficient time for Lincoln to complete the acts described in 4.3.22 (a) (i) through (vi) inclusive, County agrees to commence paving the Repavement Area no sooner than September 1, 2015. County may commence paving the Repavement Area prior to September 1, 2015 with the written consent of Lincoln's Authorized Representative.

7. COJA Section 8.3 is hereby amended and restated in its entirety to read as follows:

8.3 License of County's Real Property Interests. County will continue to own the SMD 1 WWTP Site as well as all real property County already owns and through which certain segments of the Lincoln-County Project's pipelines will be installed (the "County Property"). The County Property also includes the temporary laydown area shown in Exhibit 14. The parties agree that the County will continue to use the area identified as "County Use Area" on Exhibit 14. County will provide property insurance covering the SMD 1 WWTP Site. County grants Lincoln a license from the effective date of this Agreement through the end of the Operations Period to access, perform work on, improve, alter, and otherwise use the County Property, through Lincoln staff, Lincoln contractors and/or Lincoln agents, solely for purposes of carrying out the Lincoln-County Project and operating the Regional Facilities. So long as there is not an uncured Material Default by Lincoln, the license granted in this section is irrevocable through the term of the Operations Period, provided that the license for use of the temporary laydown area only lasts through Project Final Completion. Lincoln may not sublease or sublicense any part of the County Property and any purported sublease or sublicense will be void. There is no additional charge to Lincoln for this license beyond the consideration supporting the mutual obligations of the County and Lincoln under this Agreement.

8. COJA Section 8.17 is hereby amended and restated in its entirety to read as follows:

8.17 Notice. Any notices to Parties required by this Agreement must either be delivered in person or mailed, U.S. first class, postage prepaid, addressed as follows:

If to County:

County of Placer
Department of Facilities Services
Attention: Bill Zimmerman, Deputy Director
11476 "C" Avenue
Auburn, CA 95603

With a copy to:

Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603

If to Lincoln:

City of Lincoln
Attention: Ray Leftwich, City Engineer
600 6th Street
Lincoln, CA 95648

With a copy to:

Jonathan Hobbs
City Attorney, City of Lincoln
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

9. The Section titled "Bickford Sewer" on page 6 of COJA Exhibit 1 is hereby amended and restated in its entirety as follows:

"Bickford Sewer
Overview
Completion of manholes as necessary to facilitate operation of the project without inhibiting future connections as included in the Regional Sewer Pipeline design prepared by MHM Engineers, dated October 2005

Design Criteria
The Bickford Sewer was sized to accommodate flows from Bickford, Lincoln, the County, and Auburn (as well as other agencies who are no longer participating in the Project). The completion of the Bickford Sewer must maintain these design capacities. The vertical alignment of Bickford Sewer being constructed as part of the Project will need to be such that it accommodates the gravity flow of wastewater from the Bickford subdivision.

Specific Improvements

The Project will need to make any repairs to completed pipeline sections as required by the approving agency as well as final site and roadway restorations as required by those agencies responsible for those facilities.

County grants Lincoln a license from the effective date of this Agreement through the end of the Operations Period to access, perform work on, improve, alter, and otherwise use those portions of the Bickford Sewer located in the County, through Lincoln staff, Lincoln contractors and/or Lincoln agents, solely for purposes of carrying out the Lincoln-County Project and operating the Regional Facilities."

10. The parties agree that the insurance limits in contained in Exhibit 7B sections 1.1.1, 1.1.2, 1.1.3, and 1.1.4 are hereby reduced from $10,000,000 where indicated to $5,000,000, and from $5,000,000 million where indicated to $2,000,000. Amounts identified in Exhibit 7B at $1,000,000 shall remain at $1,000,000.

11. COJA Exhibit 5 is hereby replaced in its entirety with Exhibit 5-1 attached hereto. All references in the COJA to Exhibit 5 shall now be to Exhibit 5-1.

12. COJA Exhibit 6B is hereby replaced in its entirety with Exhibit 6B-1 attached hereto. All references in the COJA to Exhibit 6B shall now be to Exhibit 6B-1.

13. COJA Exhibit 14 is hereby replaced in its entirety with Exhibit 14-1 attached hereto. All references in the COJA to Exhibit 14 shall now be to Exhibit 14-1.

14. Attached Exhibit 19 is hereby added to the COJA.

In all areas not specifically addressed by this Amendment No. 1, the COJA remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have each caused their duly authorized officers to execute this Amendment No. 1 effective as of the date first written above.

COUNTY OF PLACER

By: _____
Print Name: Ken Grehm
Title: Interim Director
Date: 7/15/15

APPROVED AS TO FORM:

By: _____
County Counsel

ATTEST:

BY: _____
Clerk, Board of Supervisors

CITY OF LINCOLN

By: _____
Print Name: Matthew Brower
Title: City Manager
Date: 8/3/15

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

EXHIBIT 5-1 – BREAKDOWN OF CAPITAL CHARGE

The Capital Charge with its breakdown into different cost categories is set forth below. Unless otherwise specifically set forth in the Agreement, individual line items are not capped at the estimates shown below and savings in certain line items may be reallocated to overruns in others without adjusting the overall Capital Charge.

DERA Costs:	$6,548,350 [1, 2]
Project Management/Administration (i.e., Allowable Staff Costs):	$1,750,000 [3]
Construction Work (Direct):	$41,630,793 [4, 5, 6]
Construction Management:	$7,332,000 [7]
Engineering Services during Construction:	$2,138,000 [8]
Mitigations and Mitigation Monitoring:	$797,522 [9]
Inspection/Testing:	$200,000 [10]
Capital Contingency (includes Inflation Adjustment [11])	$9,844,111
Oversizing Contingency:	$7,070,338
Repavement Area	$497,286
Total Capital Charge:	**$77,808,400**

[1] DERA Cost was increased by $481,350 to include Easement Acquisition costs with approval of the First Amendment to the DERA on October 8, 2013.

[2] The Parties acknowledge that through May 31, 2015, Lincoln has been paid the in the following amounts as costs reimbursable under the DERA:

Design and Environmental	$5,696,630
Easements & Land Acquisition	$477,122
Project Management/Administration	$355,583
Permitting	$14,787

[3] Includes $500,000 of Allowable Staff Costs and $1,250,000 of Excess Allowable Staff Costs

[4] Includes $2,091,100 for Auburn Oversizing of the Joint Export Pipeline.

[5] Includes deducting ($497,286) for pavement restoration of the Virginiatown Road/Fowler Road area known as the "Repavement Area" being performed by County.

[6] Includes Executed Construction Contract Change Orders through May 31, 2015, totaling $472,916

[7] Includes an adjustment of $1,532,000 for Construction Management which reduced the Capital Contingency by the same amount.

[8] Includes an adjustment of $362,000 which reduced Engineering Services During Construction and increased Mitigations and Mitigation Monitoring, resulting in a net zero change.

[9] Includes an adjustment of $362,000 which reduced Engineering Services During Construction and increased Mitigations and Mitigation Monitoring as well as an adjustment of $185,522.

[10] Includes an adjustment of $100,000 for inspection of work in County roadways.

[11] Pursuant to section 4.2.5(a)(ii), the total inflationary adjustment of $3,534,300 was added to the Capital Contingency.

EXHIBIT 6B-1 – FORM OF PAYMENT REQUEST

REQUEST FOR PAYMENT

MID-WESTERN PLACER REGIONAL SEWER PROJECT

Request for Payment No. ____ Total Amount Requested: $_____

For Capital Costs during Period: _____ __, 20__ through _____ __, 20__

Pursuant to the Construction, Operations and Joint Exercise of Powers Agreement by and among the County of Placer (County) and the City of Lincoln (Lincoln) dated as of October 16, 2013 (the "COJA"), and as subsequently amended on _____, (First Amended COJA), the undersigned officer of the City of Lincoln hereby represents and warrants to the County and the Paying Agent designated under the First Amended COJA that:

1. Such officer is the _____ of Lincoln and has been duly authorized by Lincoln to submit this Request for Payment.

2. The documentation attached to this Request for Payment meets the requirements of the First Amended COJA and is complete.

3. Lincoln has approved the following amounts for payment, after any withholding by Lincoln, as indicated to the following Third Party Payees:

Payee	Invoiced Amount	Lincoln Withholding	Approved Amount	Cost Category*	Amount Attributable to Joint Pipeline
	$	$	$		
	$	$	$		
	$	$	$		
	$	$	$		
	$	$	$		

*Enter a number corresponding to the correct cost category below. For COJA Change Orders, enter both 7 and either 1 through 6 as applicable for the nature of the cost.

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

4. Lincoln certifies that the approved amounts for payments to the Third Party Payees represent Capital Costs payable under the First Amended COJA and that the appropriate cost category has been assigned to each payment above.

5. Lincoln certifies that it is entitled to reimbursement of $_____ of its Allowable Staff Costs, including Excess Allowable Staff Costs, under the First Amended COJA for this period. The estimated percentage completion of the Lincoln-County Project construction is __%. The total amount of Allowable Staff Costs paid to Lincoln up to the period covered by this Request for Payment is $_____. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration). The cumulative, unpaid Allowable Staff Costs, including Excess Allowable Staff Costs, are $_____.

6. If the last column of the table below is filled out, then Lincoln requests a reallocation of budgeted funds among the line items of the Capital Charge, with adjusting total Capital Charge, as shown in the table below. The Paid Amount includes this payment request.

Capital Charge Line Item	**Current Budgeted Amount**	**Paid Amount Including Retention**	**% Budget Spent**	**Proposed Budgeted Amount**
DERA Costs (capped)	$6,548,350			$
Project Management/Admin	$1,750,000			$
Construction Work (Direct)	$41,630,793			$
Construction Management	$7,332,000			$
Engineering Services – Construction	$2,138,000			$
Mitigations & Mitigation Monitoring	$797,522			$
Inspection/Testing	$200,000			$
Capital Contingency	$9,844,111			$
Oversizing Contingency	$7,070,338			$
Repavement Area	$497,286			$

7. Lincoln certifies that all work covered by this Request for Payment was conducted in accordance with the First Amended COJA.

8. Any amounts requested that are for a County Change have been authorized by Lincoln and the County pursuant to applicable provisions of the First Amended COJA.

9. To the best knowledge of the undersigned officer of Lincoln, the representations, warranties and certifications in this Request for Payment are true and correct in all material respects. The instructions for payment (account to be wired/check to disburse) for each Third Part Payee are as follows:

Capitalized terms used herein and not otherwise defined have the meaning set forth in the COJA, as amended.

The instructions for payment (account to be wired) for each Third Party Payee are as follows:

Payee	**Wire Instructions***

*If this is the first wire transfer to this payee or if this payee's wire transfer instructions have changed since the last payment, then also attach a copy of wire instructions from the payee on the payee's letterhead that is executed by a duly authorized office of the payee.

AGREED:

Dated: _____

LINCOLN

By: _____
Name:
Title:

For use only by County below:

A. County Adjustments. Pursuant to Section 4.2.1(c) of the First Amended COJA, the Placer makes the following adjustments to the amounts requested by Lincoln for payment:

A.1 Correction of Mathematical Errors:

[insert or mark N/A]

A.2 Independent Auditor Adjustments:

[insert or mark N/A]

A.3 County Withholding for Previous Payment Request:

[insert or mark N/A; note: must comply with COJA Section 4.2.1(c)(i)]

B. Approved Payments. The County approves the following amounts for payment by the Paying Agent:

B.1 Third Party Payees

Payee	County Approved Amount	Cost Category*
	$	
	$	
	$	
	$	
	$	

*Enter a number corresponding to the correct cost category below:

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

B.2 Allowable Staff Costs/Excess Allowable Staff Costs

County approves $_____ for payment to Lincoln for Allowable Staff Costs, including Excess Allowable Staff Costs. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration).

AUTHORIZED BY:

_____

Name:
Title:
Date:Reviewed by Kathy Kane: ____

EXHIBIT 14-1 – TEMPORARY LAYDOWN AREA AND VACTOR DUMP STATION AREA

The temporary laydown area is the area labeled as "Contractor Staging Area" on the attached drawing. The County Use Area is the area labeled as "County Use Area" on the attached drawing.

Layout of Existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and Improvements

Stantec

Midwestern Placer Regional Sewer Project

EXHIBIT 19 – COUNTY-AUBURN FUNDING AGREEMENT

RESOLUTION NO. 13-121

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN APPROVING A FUNDING AGREEMENT RELATING TO THE MID-WESTERN PLACER REGIONAL SEWER PROJECT

WHEREAS, Placer County, the City of Auburn, and the City of Lincoln wish to work cooperatively to plan, design, permit, finance, construct and operate regional wastewater collection, conveyance and treatment facilities to serve the Greater Auburn Area ("the Project"); and,

WHEREAS, Placer County and the City of Lincoln have entered into a Construction, Operations and Joint Exercise of Powers Agreement (COJA) with respect to the Project and the COJA states that the City of Auburn is an intended third-party beneficiary of that agreement; and,

WHEREAS, on October 28, 2013 this City Council stated the City's intent to participate in the Project and authorized two City Councilmembers to negotiate with Placer County and the City of Lincoln regarding the Project; and,

WHEREAS, those negotiations led County Counsel to draft a Funding Agreement Relating to the Mid-Western Placer Regional Sewer Project attached hereto as Exhibit A ("the Funding Agreement"); and,

WHEREAS, the City of Auburn does not understand the five-year term of the Funding Agreement to allow the lapse of its rights to use the Project once it has made the payments required by the Funding Agreement; and,

WHEREAS, the City of Auburn understands the Funding Agreement to obligate the City to make the payments referenced in its section 5 and that the fifth sentence of section 7 merely references the obligations of section 5 and does not create an additional payment obligation of the City of Auburn; and,

WHEREAS, the City of Auburn does not understand the provisions of the Funding Agreement which reference future charges to the City of Auburn by the City of Lincoln and/or Placer County with respect to maintenance, repair and rehabilitation and operation of wastewater treatment and conveyance facilities to constitute its consent to payment of any fee in an amount which exceeds that which the City of Lincoln and/or Placer County have the legal power to impose on their residents, property owners and other sewer customers; and,

WHEREAS, further agreements among Placer County, the City of Auburn and the City of Lincoln will be required to allow Auburn to make use of the wastewater capacity in the Project to be reserved for its use under the Funding Agreement; and,

WHEREAS, Placer County and the City of Lincoln have assured the City of Auburn that they will pursue those necessary agreements in good faith.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Manager is hereby authorized and directed to execute the Funding Agreement in substantially the form attached to this resolution as Exhibit A.
2. The City Clerk shall certify to the adoption of this resolution.

DATED: November 16, 2013

KEVIN HANLEY, Mayor

ATTEST:

Amy M. Lind, Deputy City Clerk

Stephanie Snyder, City Clerk

I, Stephanie Snyder, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a special meeting of the City Council of the City of Auburn held on the 16th day of November 2013 by the following vote on roll call:

Ayes: Nesbitt, Holmes, Kirby, Powers
Noes: Hanley
Absent:

Amy M. Lind, Deputy City Clerk
Stephanie Snyder, City Clerk

FUNDING AGREEMENT
RELATING TO THE MID-WESTERN PLACER REGIONAL SEWER PROJECT

THIS **FUNDING AGREEMENT RELATING TO THE MID-WESTERN PLACER REGIONAL SEWER PROJECT** ("Agreement") is made as of the 16 day of Nov, 2013, by and among and the **COUNTY OF PLACER**, a political subdivision of the State of California ("County") and the **CITY OF AUBURN**, a general law city duly organized and existing under the laws of the State of California ("Auburn").

RECITALS

A. WHEREAS, the County, Auburn, and City of Lincoln ("Lincoln") wish to work cooperatively to plan, design, permit, finance, construct and operate regional wastewater collection, conveyance and treatment facilities to serve the Greater Auburn Area; and,

B. WHEREAS, County, Auburn, and Lincoln have determined that a regional wastewater project consisting generally of pumping facilities located at the County's existing Sewer Maintenance District 1 site on Joeger Road in North Auburn ("SMD 1 Site"), a conveyance pipeline connecting to the existing City of Lincoln Wastewater Treatment and Recycling Facility on Fiddyment Road in Lincoln (the "Lincoln WWTRF"), and certain improvements to the Lincoln WWTRF, as more fully described in the "Project Description" dated October 6, 2013 attached as Exhibit A (collectively the "Mid-Western Placer Regional Sewer Project" or "Project"), is in the public interest; and

C. WHEREAS, on March 13, 2012, the Placer County Board of Supervisors gave direction to County staff to move forward with the Project with Lincoln while keeping open the option for Auburn to participate in the Project; and

D. WHEREAS, on October 8, 2013 the County Board of Supervisors approved the Construction, Operations and Joint Exercise of Powers Agreement (COJA) between the County and Lincoln, a copy of which is attached as Exhibit B, to construct the Project; and,

E. WHEREAS, the COJA acknowledges in Section 3.3 that Auburn may desire at some date to participate in the Project; and,

F. WHEREAS, Auburn City Council on October 28, 2013 approved a Resolution stating Auburn's intent to participate in the Project,

subject to further negotiations with the County and Lincoln; and,

G. WHEREAS, the City of Lincoln has solicited bids for the Project, including a bid alternative that would provide for a Junction Structure, Joint Export Sewer, and Energy Dissipation Structure and ancillary facilities that would provide for 5.2 MGD in reserved capacity for Auburn in addition to 14.8 MGD of capacity for the County as defined in the definitions below and more fully described in Exhibit A. (collectively, the "County-Auburn Joint Regional Sewer").

H. WHEREAS, the County has to date paid for certain design and environmental review services associated with the Auburn Export Sewer and the County-Auburn Joint Regional Sewer in the amount of Two Hundred and Three Thousand Dollars ($203,000.00, the "Auburn DERA Costs"); and,

I. WHEREAS, Auburn City Council on November 16, 2013, approved a Resolution authorizing execution of a Funding Agreement between the County and Auburn to construct the County-Auburn Joint Regional Sewer and repay the County the Auburn DERA Costs; and

J. WHEREAS, the County and Auburn wish to enter into a Funding Agreement whereby Auburn agrees to pay the County Two Million One Hundred Thirty Nine Thousand One Hundred Dollars ($2,139,100.00) for Lincoln to construct the County-Auburn Joint Regional Sewer, subject to adjustment as provided herein, to repay the County the Auburn DERA Costs; and to pay 23.72% of the cost of COJA Change Orders associated with the County-Auburn Joint Regional Sewer.

K. WHEREAS, the Auburn's share of the costs of the County-Auburn Joint Regional Sewer under this agreement comprise 23.72% of the cost of the Project between the Junction Structure and the Transition Structure.

L. WHEREAS, the County and Auburn agree that this Funding Agreement is intended to address construction of the County-Auburn Joint Regional Sewer and reservation of capacity therein, and does not provide for, or otherwise address, treatment of flows by Lincoln, the County or any other party at Lincoln's WWTRF or elsewhere; and, further, the parties agree to work in good faith towards future agreement(s) regarding treatment, capacity transfer and related issues (the "Future Agreements"); and,

M. WHEREAS, the Parties wish to enter into a voluntary agreement memorializing their understanding and commitments regarding

the matters addressed above

AGREEMENT

NOW THEREFORE, the Parties hereto agree as follows:

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

Auburn means the City of Auburn, a general law City duly organized and existing under the laws of the State of California.

County-Auburn Joint Regional Sewer means the Junction Structure, Joint Export Sewer, and Energy Dissipation Structure and ancillary facilities that would provide for up to 5.2 MGD in reserved capacity for Auburn more fully described in Exhibit A.

Auburn Export Sewer means the pipeline portion of Project running from the Auburn Wastewater Treatment Plant to the Junction Structure, as identified on the Project Map, attached as Exhibit C.

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

Board of Supervisors means the Placer County Board of Supervisors.

Auburn City Council means the City of Auburn City Council.

Joint Export Sewer means the pipeline portion of Project running from the Pipe Junction to the Transition Structure, more fully described in Exhibit A, and as identified on attached Exhibit C.

County means the County of Placer, a political subdivision of the State of California.

County-Approved Construction Design shall mean the final Project design approved by the County.

Lincoln Wastewater Treatment and Recycling Facility (Lincoln WWTRF) means the regional wastewater treatment plant owned and operated by the City of Lincoln.

MGD means millions of gallons per day.

Junction Structure means the junction point of the SMD 1 Export Sewer and the Auburn Export Sewer, as more fully described in Exhibit A.

Lincoln County Project means regional wastewater project consisting generally of pumping facilities located at the County's existing Sewer Maintenance District 1 site on Joeger Road in North Auburn ("SMD 1 Site"), a force main conveyance pipeline connecting to the existing City of Lincoln WWTRF, and certain improvements to the Lincoln WWTRF, as described in the Section 2 of the COJA and more fully described in Exhibit A.

SRF means the State Water Resources Control Board Clean Water State Revolving Fund financial assistance program.

Energy Dissipation Structure means an Energy Dissipation Structure to facilitate the transition from gravity force main flow to gravity flow located at the end of the Joint Export Sewer located adjacent to State Highway 193, as more fully described in Exhibit A.

2. **Purpose and Intent of Agreement.** The purpose and intent of this Agreement is to address the construction and payment for the County-Auburn Joint Regional Sewer and the reservation of capacity for Auburn in those facilities.

3. **Term and Termination.** This Agreement shall be effective as of the date first above written and shall remain in effect for five (5) years, or until such time as the Parties agree to extend, terminate and/or supersede this Agreement. The Parties agree that this Agreement is intended to address construction and related initial Auburn-County matters regarding construction of the Auburn Facilities and to provide a starting point for preparation of Future Agreement(s).

4. **Design Review.** Auburn agrees and acknowledges that it has reviewed and approved the design for the Project, including the County-Auburn Joint Regional Sewer, contained in the City of Lincoln "Midwestern Placer Regional Sewer - Regional and Reclamation Pipelines." Bid Package, for which bids were opened on August 29, 2013 as more fully described in Exhibit 4 of the COJA.

5. **Payment.** The parties agree as follows:

a. Auburn shall pay County the Auburn DERA Costs in full within sixty (60) days of the date of this Agreement.

b. County shall bill Auburn no more often than monthly for construction of the County-Auburn Joint Regional Sewer, including up to Forty Eight Thousand Dollars ($48,000.00) in Lincoln's costs for Engineering Services during construction, as the County-Auburn Joint Regional Sewer is constructed. Each County invoice shall include a statement from a duly authorized County representative indicating all work completed and invoiced was conducted in accordance with this Agreement and shall include a description of the County-Auburn Joint Regional Sewer work performed, including a description of any change orders. Auburn shall pay such invoices to the County within thirty (30) days of receipt.

c. Disputed costs shall be addressed in accordance with the dispute resolution procedures contained in Section 12 herein.

6. **Change Orders**

a. Auburn shall reimburse the County for Twenty Three and 72/100 per cent (23.72%) of the cost of change orders for County-Auburn Joint Regional Sewer components between the Junction Structure and the Energy Dissipation Structure, inclusive. The parties agree that this Auburn share was derived by comparing the incremental cost of the County-Auburn Joint Regional Sewer compared to the cost of the Project between the Pipe Junction and the Energy Dissipation Structure, inclusive, with the construction of that portion without the Auburn capacity.

7. **Capacity and Treatment; Future Agreements**

a. The parties agree that the County-Auburn Joint Regional Sewer intends to reserve 5.2 MGD of capacity for Auburn's future use ("Auburn Future Capacity"). The County agrees to reserve and not use Auburn Future Capacity unless otherwise agreed to in writing by Auburn. Auburn agrees and acknowledges that this Agreement provides no guarantee of treatment at the Lincoln WWTRF and/or conveyance rights beyond the Energy Dissipation Structure. Auburn agrees that access to such conveyance and treatment rights, if any, will be addressed in one or more Future Agreements. Auburn agrees and acknowledges that Auburn's use of the County-Auburn Joint Regional Sewer must be preceded by payment to the County of Auburn's flow-based proportionate-share of the

total capital cost of the County-Auburn Joint Regional Sewer. Auburn further agrees that use of the Auburn Future Capacity will be dependent on Auburn paying such future amounts as may be determined by the parties, and Lincoln as the case may be, for Auburn's share of Project maintenance, repair and rehabilitation costs and other customary costs associated with the operation of wastewater conveyance and treatment facilities.

8. **COJA**. The parties agree and acknowledge that this Agreement does not amend, supersede or otherwise affect the Construction, Operations and Joint Exercise of Powers Agreement between the County and Lincoln dated October 16, 2013 ("COJA"). Auburn acknowledges receipt of the COJA as an exhibit to this Agreement.

9. **County-Auburn Oversight Committee.**

a. The Parties will work together at the technical level through a Project Coordination Team (PCT). The PCT will include one technical staff member from each Party together with Consultants and other staff as required. The PCT will meet periodically as needed to review progress and cooperate in completion of the work described in this Agreement.

10. **General Provisions**

a. Compliance With Other Agreements; Prompt Payment. Each party shall comply with all agreements made by the parties in furtherance of the Project, and shall promptly pay or cause to be paid all consultant costs, fees and other expenses due and payable under such agreements or otherwise associated with the Project.

b. No Encumbrances. Except for the purposes of public financing, no party shall mortgage or otherwise encumber, pledge or place any charge upon the Project or any part thereof.

c. Records and Accounts. Each party shall keep proper books of record and accounts of the finances of the Project, in which complete and correct entries shall be made of all transactions relating to the Project. Said books shall, upon reasonable request, be subject to inspection by the Parties and SRF staff.

d. Further Assurances. Each party 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 purposes and intent of this Agreement.

e. Amendment. This Agreement may be amended only by the written agreement of the parties.

f. Jurisdiction and Venue. This Agreement shall be governed by the laws of the State of California. Any legal proceeding brought under this Agreement shall be brought in County of Placer, State of California.

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

If to County:

County of Placer
Department of Facilities Services
Attention: Mary Dietrich, Director
11476 "C" Avenue
Auburn, CA 95603

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

If to Auburn:

_____
_____
_____
_____

With a copy to:
_____
_____
_____

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.

12. Dispute Resolution. Any disagreement between the Parties regarding matters covered by this Agreement shall be first submitted for the County's Director of Facility Services and the City's Director of Public Works for review. In the event the County's Director of Facility Services and the City's Director of Public Works cannot agree on a resolution, the Parties agree to submit the matter to the Auburn City Manager and County Executive Officer for review and consideration. The City Manager and County Executive Officer may elect to resolve the matter if within the scope of their authority or submit the matter to their respective legislative bodies at a regularly scheduled meeting for review and consideration. Referral to the process identified in this Section 12 shall be a pre-condition to any legal proceeding made pursuant to this Agreement on non-engineering

matters. The parties may also elect by mutual agreement to use the dispute resolution provisions of the COJA in lieu of this Paragraph 12.

13. **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 parties have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

COUNTY OF PLACER

BY: _____
Director, Department of Facility Services

APPROVED AS TO FORM:

BY: _____
County Counsel

ATTEST:

BY: _____
Clerk, Board of Supervisors

CITY OF AUBURN

BY: _____
City Manager

ATTEST:

BY: Amy M. Lind
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

Exhibit List:

Exhibit A: Project Description dated October 6, 2013
Exhibit B: Construction, Operations and Joint Exercise of Powers Agreement between the County and Lincoln dated October 16, 2013
Exhibit C: Project Map

Exhibit A

EXHIBIT A – LINCOLN – COUNTY PROJECT DESCRIPTION

Summary & Purpose

The Mid-Western Placer Regional Sewer Project (Project) will consolidate wastewater treatment from the County's North-Auburn Sewer Maintenance District 1 (SMD 1) and the City of Lincoln ("Lincoln"). The purpose of this project description is to generally describe the features and design considerations of the various aspects of the proposed Project.

The two main elements of the Project are:

Wastewater conveyance facilities consisting of a new pump station and new and existing pipelines which run from the existing SMD 1 Wastewater Treatment Plant (WWTP) to the Lincoln Wastewater Treatment and Reclamation Facility (WWTRF)

Expanding the treatment capacity of the existing Lincoln WWTRF

Proposed Project Components

As mentioned above, the project includes both wastewater conveyance and treatment elements. These are further described below.

Wastewater conveyance facilities from the SMD 1 WWTP to Lincoln WWTRF

The wastewater conveyance facilities include:

1. SMD 1 Export Pump Station - A Pump Station at the current SMD 1 WWTP with odor control, and emergency containment basins;
2. SMD 1 Export Sewer - A gravity force main from the SMD 1 Export Pump Station to the Junction Structure where a pipe from the City of Auburn ("Auburn") WWTP may connect;
3. Junction Structure - A junction structure to facilitate the connection of a potential Auburn Export Sewer (gravity force main pipeline from the Auburn WWTP) with the SMD 1 Export Sewer, with odor control, and energy dissipation as necessary;
4. Joint Export Sewer - A gravity force main from the Junction Structure to the location of an Energy Dissipation Structure near Sierra College Blvd.;
5. Energy Dissipation Structure - An Energy Dissipation Structure to facilitate the transition from gravity force main flow to gravity flow located at the end of the Joint Export Sewer, and odor control;
6. Bickford Sewer - The gravity sewer designed and partially constructed by the Bickford subdivision.
7. Lincoln Sewers - The Project will also make use of existing sewers through Lincoln.

SMD 1 Export Pump Station

Overview

The SMD 1 Export Pump Station will pump raw wastewater received directly from the collection system. It will be located in the Southeast corner of the SMD 1 WWTP site so that construction of the pump station will not interfere with the operation of the SMD 1 WWTP. Once flows can be diverted to the Lincoln WWTRF, selected existing SMD 1 WWTP water bearing structures will be retrofitted to be utilized for emergency containment. Two basins will be constructed to provide the remainder of the emergency containment. These basins will be located on the north side of the existing plant site in the vicinity of the existing sludge drying beds.

Design Criteria

Design criteria are presented below.

Project Component	Flow and Load Basis	Parameter	Value
SMD 1 Export Pump Station Structures and Piping	SMD 1 Service Area Build out	Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	4.2
		Peak Hourly Flow, PHF	14.8
SMD 1 Export Pump Station Pumps	SMD 1 Existing Service Area and near-term growth	Parameter	Value[1]
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	1.8
		Peak Hourly Flow, PHF	11.0
SMD 1 Flushing Storage – Retrofit of Existing Structures – Primary Clarifiers	Volume of Existing SMD 1 WWTP Structures	Parameter	Value
		Design Volume, Mgal	~0.5
SMD 1 Emergency Containment– New Basin	Volume of New SMD 1 Basins	Parameter	Value
		Design Volume, Mgal	6

[1] Design considered the full range of flows and loading anticipated

The construction of Project improvements at the SMD 1 WWTP will be designed and constructed so as to not interfere with the continued operation of the SMD 1 WWTP until completion of all of the improvements with the exception of the decommissioning, the emergency containment basin and retrofitting of the existing WWTP structures for containment use.

Specific Improvements

The proposed SMD 1 Export Sewer Pump Station design will include the following features:

A. Piping and structures designed for the SMD 1 Service Area Peak Hour Flow (PHF) of 14.8 Mgal/d.
B. Pumps to accommodate a PHF of 11 Mgal/d, expandable without the need for major structural changes up to 14.8 Mgal/d with the number and size of pumps necessary to accommodate the range of flows in an economical manner.
C. Dual wet well configuration for redundancy with discharge piping and valves at grade or in shallow vaults to facilitate operation.
D. Wastewater storage utilizing the primary clarifiers for pipeline flushing such that all solids will not accumulate in the pipelines where daily flows do not provide scour velocities. Flushing will be sufficient to migrate solids through the conveyance system to the WWTRF in two to five cycles so that solids do not accumulate in the pipeline.
E. Screening and grit removal upstream of the pump station to protect the pumps and minimize solids deposition in the pipeline will utilize the existing facilities.
F. Odor control utilizing a biofilter.
G. Surge control facilities as required by the pipe material.

Other SMD 1 WWTP site work

The Project also includes the following additional site work at the SMD 1 WWTP site:

1. Retrofit existing water bearing structures for use as emergency containment.
2. Construction of 2 new basins to provide for a total of 6 Mgal of emergency containment.
   - Basin No1 will be located on the north side of the existing plant site in the vicinity of the existing RBCs and will be constructed to include a synthetic liner to prevent percolation of raw wastewater into the ground as this basin may see periodic use during significant rainfall events.
   - Basin No. 2 will be located on the north side of the existing Plant and designed to run freely for normal rain events and closed for containment of wastewater flows during an extended Emergency operational period with contained wastewater returned to the Pump Station for export and the basin cleaned.
3. Lining of the basin as necessary to prevent sewage infiltration to underlying groundwater or the adjacent creeks.
4. Frontage, fire protection, and other improvements as required by the conditions of approval for use permits.

See Figure 1 for an approximate layout of the existing SMD 1 WWTP and the new SMD 1 Export Pump Station and related improvements.

SMD 1 Export Sewer

Overview

This pipe is 22-inch to 28-inch in diameter and extends from the SMD1 WWTP site to the Junction Structure. See Figure 2.

Project Component		Flow and Load Basis	
SMD1 Pipeline [a]	SMD1 Service Area Build out	Parameter	Value
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	4.2
		Peak Hourly Flow, PHF	14.8

[1] Design should considered the full range of flows and loading anticipated.

Specific Improvements

The proposed SMD 1 Export Sewer design will include the following features:

A. Pipeline will be buried below finished grade in existing road rights-of-way and in appropriate easements. In-roadway excavation will be such that a minimum of 3-feet of cover from the top of pipe to finished grade will be maintained. Excavation in unpaved areas will be such that a minimum of 4-feet of cover from the top of pipe to finished grade will be maintained. Pipelines will be appropriately marked above and below grade to prevent damage from excavation. Pipe location tracer wire or other appropriate location means will be provided for all below grade piping.
B. Road sections will be restored to match existing or better conditions.
C. Air valves to be provided as necessary to prevent air binding in the pipe and as well as vacuum relief valves to protect the pipe from collapse due to the net fall in elevation from the pump station discharge point to the discharge point.
D. All air valves will be outfitted with odor scrubbers to reduce odors at air valve locations.
E. Appurtenances will be in below grade vaults.
F. Access to all valves and odor facilities will be secured from vandalism and shielded aesthetically with dull colors or otherwise camouflaged to minimize any attractive nuisance and visual impacts.
G. Pipeline extra work areas or laydown sites will be located in areas identified along the pipe alignment.

Junction Structure

Overview

This structure will facilitate the connection of a future Auburn Export Sewer with the SMD 1 Export Sewer, with odor control, and energy dissipation as necessary.

Project Component	Flow and Load Basis		
Junction Structure, Joint Export Sewer	SMD1 and Auburn Service Area Build out	Parameter	Value
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	6.7
		Peak Hourly Flow, PHF	20.0

[1] Design should consider the full range of flows and loading anticipated

Specific Improvements

The proposed Junction Structure design will include the following features:

A. Site safety and security including lighting, fencing, safety showers, and eyewash systems as appropriate.
B. Access to all above and below ground facilities will be secured from vandalism.
C. Minimization as an attractive nuisance and shielded aesthetically with dull colors or otherwise camouflaged.
D. Site will be designed to provide for maintenance as may be required to all above and below ground structures with cranes, hoists, and heavy service vehicles.
E. Parking so that service vehicles will not be parked on adjacent public road.
F. Odor control utilizing an activated carbon system, other synthetic media, or biofilter.
G. Surge control facilities as may be required by the pipe material and hydraulic conditions.
H. Energy dissipation as may be required by the hydraulic conditions.

Joint Export Sewer

Overview

This pipe extends from Junction Structure to the Energy Dissipation Structure. See Figure 2.

Design Criteria

See table in Junction Structure above.

Specific Improvements

See SMD 1 Export Sewer above.

Energy Dissipation Structure

Overview

A transition structure to transition from a gravity force main hydraulic configuration to a gravity sewer, with energy dissipation and odor control

Design Criteria

See table in Junction Structure above.

Specific Improvements

See Junction Structure above. Additionally, an odor control structure will be constructed downstream.

Bickford Sewer

Overview

Construction of 150 feet of 42 inch concrete sewer pipe with t-lock liner to match existing pipeline already constructed in Highway 193 to extend the pipeline to the east of the Energy Dissipation Structure. Completion of manholes as necessary to facilitate operation of the project without inhibiting future connections as included in the Regional Sewer Pipeline design prepared by MHM Engineers, dated October 2005. If an alternate route as currently proposed is not selected or is unattainable, the Project will need to complete construction of Bickford pipeline from Energy Dissipation Structure to the end of the constructed portion (approximately 3000 ft west of the intersection of Hwy 193 and Sierra College Blvd.).

Design Criteria

The Bickford Sewer was sized to accommodate flows from Bickford Lincoln, the County, and Auburn (as well as other agencies who are no longer participating in the Project). The completion of the Bickford Sewer must maintain these design capacities.

The vertical alignment of Bickford Sewer being constructed as part of the Project will need to be such that it accommodates the gravity flow of wastewater from the Bickford subdivision.

Specific Improvements

The Project will need to complete construction of an additional 150 feet of the Bickford pipeline as designed from the end of the constructed portion (approximately 3000 ft west of the intersection of Hwy 193 and Sierra College Blvd.) to the east of the point of connection with the Energy Dissipation Structure.

Additionally, the Project will need to make any repairs to completed pipeline sections as required by the approving agency as well as final site and roadway restorations as required by those agencies responsible for those facilities.

Lincoln Sewer

Overview

Lincoln also has approximately six miles of influent sewer running from the west end of the Bickford Sewer to the WWTRF sized to serve SMD1, Auburn, Bickford and Lincoln needs.

Design Criteria

The Lincoln Sewer was sized to accommodate flows from Bickford, Lincoln, the County, and Auburn (as well as other agencies who are no longer participating in the Project).

Specific Improvements

Some odor control improvements may be necessary. The County's Portion of the Overall Lincoln – County Project Costs to be paid by SMD 1 to Lincoln includes an "oversizing reimbursement" to cover the "buy-in" cost of using the existing Lincoln Sewer which will provide peak flow capacity for current SMD 1 flows with future "oversizing reimbursements" to cover the "buy-in" cost for future connections.

Expanded Lincoln WWTRF

Overview

Lincoln has a compliant wastewater treatment and reclamation facility (WWTRF) that came online in 2004 designed to be readily expandable with space for treatment capacity to serve the City of Lincoln's General Plan and the General Plans for the SMD1 and Auburn service areas. The Lincoln WWTRF is designed to produce disinfected tertiary water, as described by Title 22 for unrestricted reuse options.

The existing WWTRF nominal capacity is 4.2 MGD average dry weather flow (ADWF). The Proposed Regional Project will expand the WWTRF capacity to 5.9 Mgal/d ADWF.

Description	ADWF (Mgal/d)	PWWF (Mgal/d)
Existing Capacity at Lincoln WWTRF:	4.2	15.2
Proposed Regional Project Capacity Expansion at Lincoln WWTRF:	1.7	10.4
Total Proposed Capacity at Lincoln WWTRF	5.9	25.6
Current Permitted Capacity at Lincoln WWTRF	8.4	-
Capacity Available for Future Connections by All Member Agencies after Expansion	1.4	4.2

Design Criteria

Design criteria are presented below.

Project Component		Flow and Load Basis	
Treatment and Disposal	SMD1 Service Area Existing	Parameter	Value
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	1.7
		Average Annual Flow, AAF	2.0
		Maximum Monthly Flow, MMF	3.6
		Maximum Daily Flow, MDF	8.4
		Peak Hourly Flow, PHF	10.4
		BOD Load, lb/d	
		Average Annual Load, AAL	4,000
		Maximum Monthly Load, MML	5,000
		TSS Load, lb/d	
		AAL	4,000
		MML	5,000
		TKN Load, lb/d	
		AAL	1,000
		MML	1,200

Specific Improvements

Many WWTRF facilities will not require upgrades (or will require only minor adjustments). Other WWTRF require unique improvements such as new land disposal facilities, but most unit treatment processes can be expanded efficiently by providing new, identical (or similar) improvements in the space provided, such as the head works, oxidation ditches and clarifiers, and other unit processes.

Lincoln WWTRF Current Capacity, Capacity Required for the Proposed Regional Project, and Capacity Remaining [a]

	Treatment Component	Pre Project Capacity (Mgal/d) [b]	Project Added Capacity (Mgal/d)	Post Project Capacity Remaining (Mgal/d) [c]
1	Influent Sewer [d]	14.7	0	10.2
2	Influent Pump Station	8.8 [e]	0	4.3
3	Headworks	4.4 [e]	4.4	4.3
4	Oxidation Ditch Splitter Box	8.8	0	4.3
5	Anoxic and Oxidation Basins	4.2	1.7	1.4
6	Clarifier Splitter Box	4.2 [e]	1.7	1.4
7	Secondary Clarifiers	4.2	1.7	1.4
8	Scum Pump Station	4.2	1.7	1.4
9	SC Drain Pump Station	8.8	0	3.5
10	RAS Pump Station	4.2	1.7	1.4
11	WAS Metering Station	4.2	1.7	1.4
12	Maturation Pond Pump Station	5.9 [e]	0	1.4
13	Maturation Ponds	5.9 [e]	0	1.4
14	Dissolved Air Floatation Clarifier	8	0	3.5
15	DAF Splitter Box	8 [e]	0	3.5
16	DAF Float Pump Station	8 [e]	0	3.5
17	DAF Recirculation Pump Station	8 [e]	0	3.5
18	Filter Feed Pump Station	12 [e] [f]	0	7.5 [f]
19	Filter Rapid Mix Basin	6 [g]	0	1.5 [g]
20	Filter Flocculation Basins	6 [g]	0	1.5 [g]
21	Tertiary Filters	4.2 [e] [g]	1.7	1.4
22	Filter Mud Well	12 [g]	0	7.5 [g]
23	Filter Clear Well	12 [g]	0	7.5 [g]
24	Plant Water Pump Station	12 [g]	0	7.5 [g]
25	UV Disinfection	8 [e] [g]	0	3.5 [g]
26	Reaeration Basins	8 [e] [g]	0	3.5 [g]
27	Effluent Pump Station	12 [e] [g]	0	7.5 [g]
28	Chemical Facilities	5 [g]	0.8	1.4 [g]
29	Solids Holding Facilities	6 [e]	0	1.5
30	Reclamation Booster Pump Station	10 [e] [g]	0	5.5

	Treatment Component	Pre-Project Capacity (Mgal/d) (b)	Project Added Capacity (Mgal/d)	Post-Project Capacity Remaining (Mgal/d) (c)
31	Creek Outfall	6.3 (g)	0	1.8
32	Effluent Storage (w/ Additional Disposal Land)	5.9	0	1.4
33	Disposal Land	4.2	1.7	1.4
34	Laboratory Facilities	N/A	N/A	N/A
35	Administration Facilities	N/A	N/A	N/A
36	Maintenance Facilities	N/A	N/A	N/A
37	General Site Work	6 to 12 (g)	1.7 (g)	1.4 to 6 (g)
38	Yard Piping and Appurtenances	12 (h)	0	6 (h)
39	Electrical and Instrumentation	4.2	1.7	1.4

(a) All flows are presented as approximate average dry weather flow (ADWF); refinement and adjustment possible.

(b) The structure hydraulic capacity is cited. Additional equipment, pipe, etc. may be required.

(c) Total capacity used with proposed project is equal to 1.7 Mgal/d from SMD1 and 2.8 Mgal/d from the City of Lincoln for a total project flow of 4.5 Mgal/d. Post-Project Capacity cited is equal to Pre-Project Capacity minus 4.5 Mgal/d.

(d) From existing sewer connection point along Highway 193 to the WWTRF; not the new pipeline from SMD1.

(e) Designed to be readily expandable, with knock-out walls, connecting wing-walls, etc.; may not actually include additional capacity, as indicated.

(f) Design flows downstream of the Maturation Pond are ADWF*1.7 (peak month flow) plus recycle flows.

(g) No new site work will be required for in-fill facilities; some new site work will be required for outward expansion elements.

(h) Some arterial piping and main distribution pipes are oversized. New individual facilities will require new piping.

The following sections briefly describe the improvements for each unit process at the Lincoln WWTRF for the Project. All of the improvements identified are approximate; final design may modify details, including the improvements identified below. See Figure 3 for the approximate location of these new facilities.

Influent Pump Station

While the influent pump station structure is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.

Headworks

The headworks screening serves to remove large materials such as rags from the sewage stream to protect downstream equipment and produce cleaner water and sludge. The maximum flow capacity of the existing headworks channel and screen is about 23 Mgal/d (peak flow). The Proposed Regional Project will have peak flows equal to almost 30 Mgal/d. As a result, the project will include one new headworks channel, screen, washer compactor, and flow control gates. This will occur adjacent to the existing headworks channel.

Parshall Flume

The existing headworks nested Parshall flume will also be modified to accurately measure higher flow rates.

Oxidation Ditches and Anoxic Basins

The oxidation ditch and anoxic basins work as a system with the clarifiers and RAS pump station to remove organics and nitrogen compounds from the wastewater through an activated sludge treatment technology, utilizing biological microorganisms. To provide sufficient treatment capacity, the Proposed Regional Project will include the addition of one oxidation ditch and anoxic basin, including new aeration and mixing equipment.

Secondary Clarifiers

To provide regional capacity for the separation of activated sludge from the liquid stream, the Proposed Regional Project will include one additional secondary clarifier and equipment. The clarifier splitter box will also be expanded to accommodate the additional clarifier with a new splitter chamber, gate and weir.

Return Activated Sludge (RAS) Pump Station

The RAS pump station returns biologically active sludge settled in the secondary clarifier back to the aeration and anoxic basin treatment basins. The new clarifier will require one new RAS pump station for the Proposed Regional Project, including pumps, piping, valves and appurtenances.

Scum Pump Station

The scum pump station moves scum from the surface of the secondary clarifiers and conveys it to the solids handling facilities (centrifuges with disposal to a landfill). The existing scum pump station will be configured to serve the new clarifier.

Secondary Clarifier Drain Pump Station

The purpose of the secondary clarifier drain pump station is to facilitate clarifier maintenance by allowing it to be taken off-line and drained. The Proposed Regional Project will use the existing drain pump station .

Waste Activated Sludge (WAS) Metering Station

With a continuous inflow of organics with the wastewater stream, there is continuous growth of the biologically active sludge. Some must be wasted regularly to the solids handling facility to maintain a consistent concentration in the oxidation ditch and anoxic basin for optimal treatment. The existing WAS metering station will be included in the Proposed Regional Project with modifications to facilitate the wasting process.

Dissolved Air Flotation Thickener (DAFT)

The maturation pond (not expanded with the Project) is a large basin with partially treated wastewater that grows algae in the presence of sunlight. The DAFT utilizes pressurized air (like soda carbonation) to float the algae to the water surface where it is skimmed off and disposed of with the solids handling facilities. This is necessary to avoid fouling the tertiary filters with algae. The DAFT also functions to remove algae grown in effluent stored in the TSB prior to delivery for reuse. With the higher flows from a regional project, additional DAFT units are not required the reason for this is that high sewer flows occur during the winter, but there is no algae production at this time.

Filter Feed Pump Station

With higher flows, the Project will expand the filter feed pump station which conveys flows from the DAFT to the filters for further treatment. The pump station expansion will include one additional pump, valves and pipe in the existing wet well structure.

Filter Facilities

The filtration process removes small particulate matter that remains in the wastewater prior to disinfection. With higher flows, additional filter cells are required. The proposed project includes two new sand filter cells with under drains and associated piping and control valves.

Chemical Facilities

The chemical feed facilities include provisions for pH control, on-site system disinfection and coagulants used in the flocculation basin and solids handling processes. To accommodate the Project flows, the chemical facilities will be modified to include larger chemical feed pumps to increase the dosing range and larger chemical storage tanks to limit the frequency between material deliveries.

Solids Handling Facilities

The polymer feed system injects polymer into the waste solids to facilitate the dewatering process by binding the solids together, making the solid/water separation more efficient. The existing solids holding tank, sludge pumps, centrifuge and building are sufficient to meet the needs of the proposed Regional Project. However, polymer feed improvements are necessary to limit the frequency of material deliveries with increased use of the dewatering facilities. These are included with the Project.

Effluent Pump Station

While the low head effluent pump station (for flood irrigation and creek discharge) structure (wet well) is sized for 12.6 MGD, one new pump, piping, and valves will be constructed for the Project to provide the required additional pumping capacity.

Effluent Disposal Improvements

The Project includes piping west on East Catlett Road from a new connection to an existing 24-inch force main in Fiddyment Road. The pipe will provide irrigation water (effluent disposal) to approximately 1,000 acres of land used to grow fodder crops. The pipe will be constructed in the East Catlett roadway and will connect to existing farmer irrigation systems.

The Project includes coordination with the farmer to provide the required improvements for compliance with all water reuse laws as applicable, including run-off containment ditches, berms recapture basins, seasonal run-off control gates, groundwater monitoring wells and separation from potable water wells. A metering and control station will also be included at points of connection as required to meter and control the flow of water, as well as prevent backflow into the transmission main.

Booster Pump Station

The existing high head booster pump station (for sprinkler application of reclaimed water) structure (wet well) that will supply new off-site land disposal improvements is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.

[Exhibit B of County-Auburn Funding Agreement Omitted from COJA Amendment No. 1 for Space Reasons]

Exhibit C

GILADING
McCOURTNEY RD
CROSBY HEROLD RD
GARDEN BAR
MT PLEASANT RD
MT VERNON RD
WISE RD
RAKER CREEK RD
WISE RD
GOLD HILL RD
WISE RD
FRUITVALE RD
FRUITVALE RD
McCOURTNEY RD
VIRGINIATOWN RD
MTN RANCH RD
COYOTE LN
65
193
193
MOORE RD
MARTINEZ BLV
NEW GOSHEN LN
SIERRA COLLEGE BL
TWELVE BRIDGES DR
TAYLOR RD
ENGLISH COLONY WY
SIERRA COLLEGE BL
Lincoln WWTRF
FIDDYMENT RD
ATHENS AV
INDUSTRIAL AV
65
KING RD

13358

CONSTRUCTION, OPERATIONS AND JOINT EXERCISE OF POWERS AGREEMENT

by and among

COUNTY OF PLACER

and

CITY OF LINCOLN

made as of

October 16, **2013**

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Construction, Operations and Joint Exercise of Powers Agreement

THIS CONSTRUCTION, OPERATIONS AND JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is made as of the 16th day of October, 2013, by and among the COUNTY OF PLACER, a political subdivision of the State of California ("County") and the CITY OF LINCOLN, a city duly organized and existing under the laws of the State of California ("Lincoln").

Preamble

Following an offer made by Lincoln to the County for the construction of the Lincoln-County Project, the County and Lincoln are now entering into this Construction, Operation and Joint Exercise of Powers Agreement to govern their relationship during the construction and operation of the Mid-Western Placer Regional Sewer Project. The County and Lincoln intend that Lincoln will construct the Lincoln-County Project and the County will pay the associated Capital Costs, pursuant to the terms of this Agreement. To the extent that the Capital Charge exceeds the Capital Costs at Project Final Completion, Lincoln will receive an Oversizing Payment in the amount of the difference not to exceed the amount set forth in the Agreement, as a capacity charge contingent on Lincoln's delivery of the Lincoln-County Project within the Capital Charge. Lincoln will operate the Regional Facilities and the County will pay the Operations Charge. After the initial five years, Lincoln will continue to operate the Regional Facilities, subject to oversight by the Oversight Committee and certain Major Decisions reserved to the County's Board of Supervisors and Lincoln City Council.

Recitals

WHEREAS, the Parties have determined that the Lincoln-County Project described in this Agreement is in the public interest, and

WHEREAS the Parties previously entered the "Design and Environmental Review Agreement" dated as of August 14, 2012, as amended to date ("DERA"), whereby County and Lincoln have been working cooperatively to plan, design, acquire real property interests and necessary permits, and prepare for the construction of a regional wastewater collection, conveyance and treatment facilities to serve the County's Sewer Maintenance District 1 sewer service area, and

WHEREAS, the Parties intend for Lincoln to take primary responsibility for the construction of the Lincoln-County Project as delineated in this Agreement, and

WHEREAS, this Agreement sets out certain of Lincoln's Capital Costs for which the County will be responsible to pay, and also provides for County to potentially pay an Oversizing Payment to Lincoln as a capacity charge contingent on Lincoln's ability to deliver the Lincoln-County Project within the Capital Charge, and

WHEREAS, the Parties intend for Lincoln to have primary responsibility for operating the Regional Facilities during the initial Operations Period as delineated in the agreement, and

WHEREAS, the County will periodically pay an Operations Charge to Lincoln for said operation of the Regional Facilities, and

WHEREAS, the Parties will work together to address repair and rehabilitation projects, future expansion projects, and any regulatory changes, as detailed in this Agreement, and

WHEREAS, the Agreement also addresses the Parties' responsibilities with regard to connection fees, claiming unused capacity, reclaimed water, among other things, and provides a process for the Parties to address long-term governance of the Regional Facilities after the initial Operations Period, and

WHEREAS, California Government Code Section 6500 et seq. provides authority for the County and Lincoln to enter into an agreement providing for the joint exercise of their statutory powers, and

WHEREAS, the Parties have now completed the design of the Lincoln-County Project, obtained approval of the Lincoln-County Project pursuant to the California Environmental Quality Act (CEQA), obtained sufficient real property interests to allow construction of the Lincoln-County Project to begin, and obtained bids for the construction of the Lincoln-County Project,

NOW, THEREFORE, the Parties desire to enter this Agreement and each of the Parties agrees to the following terms and conditions:

1. Definitions

1.1 Defined Terms. Certain words and phrases used in this Agreement are defined below.

1.1.1 "Accrued Delay Days" are defined in Section 6.3.2.

1.1.2 "Allowable Staff Costs" means Lincoln's actual amounts expended on salary or wages plus benefits for Lincoln employees working on the Lincoln-County Project, plus amounts paid in accordance with their contracts to contract employees or consultants (not including the CM) acting in an administrative capacity in support of the Lincoln-County Project, plus associated administrative costs such as document reproduction or travel reimbursement, provided that (a) the aggregate amount of Allowable Staff Costs reimbursable for the whole Lincoln-County Project may not exceed the amount shown for "Project Management/Administration" in Exhibit 5, and (b) the aggregate amount of Allowable Staff Costs reimbursable in a calendar month may not exceed that percentage of the amount shown for "Project Management/Administration" in Exhibit 5 that is equal to the percentage completion of construction of the overall Lincoln-County Project.

1.1.3 "Approved Design" means the Lincoln-County Project design reflected in Exhibit 3, as modified for any changes approved per this Agreement.

1.1.4 "Authorized Representative" means the following person representing the indicated Party. A Party may change its Authorized Representative upon written notice to the other Party.

Lincoln: Director of Public Services

County: Director – Facility Services Department

1.1.5 The "**average dry weather flow**" (**"ADWF"**) means the average daily wastewater flow into the Regional Facilities consisting of average daily sewage flows and groundwater infiltration. ADWF is the average flow that occurs on a daily basis with no evident

reaction to rainfall. For the purpose of this agreement, ADWF will be the average daily wastewater flow measured from July 1st through September 30th of each year.

1.1.6 "Capital Charge" means the metric against which the Capital Costs are measured and is equal to the amount shown as such in Exhibit 5, subject to being adjusted as provided in Section 4.2.5.

1.1.7 "Capital Contingency" means the contingency within the Capital Charge, separate from the Oversizing Contingency, with a starting balance in the amount shown for the Capital Contingency in Exhibit 5.

1.1.8 "Capital Costs" means those costs incurred by or on behalf of Lincoln for the planning, permitting, design, environmental review, acquisition of real property interests, construction and commissioning of the Lincoln-County Project that fall in any one of the following categories: (a) costs for acquisition of real property interests required for the Lincoln-County Project, including, without limitation, surveys, appraisals, legal fees and costs, necessary eminent domain costs, and title insurance; (b) design and engineering costs required for the Lincoln-County Project, including, without limitation, payments to design firms and consultants, investigation, tests, design, survey, plan printing, construction supervision, and inspection; (c) environmental review costs required for the Lincoln-County Project, including, without limitation, permits, fees, environmental analysis, Lincoln's legal fees associated with environmental review, and negotiation of mitigation measures; (d) construction costs required for the Lincoln-County Project, including, without limitation, payments to consultants, CM, contractors and suppliers, legal fees and costs associated with construction claims, insurance, inspections, environmental mitigation measures, permits and approvals; and (e) Allowable Staff Costs. However, despite the above, Capital Costs do not include: (1) any amounts incurred by Lincoln for judgments, or in settlement of claims, arising out of Lincoln's negligence, bad faith, willful misconduct, or failure to comply with legal requirements; (2) any amounts which Lincoln is able to recoup from insurers, contractors or other third parties; (3) any legal, staff, consultant or administrative costs incurred in connection with dispute resolution under Article 7 of this Agreement; (4) any costs incurred in fulfilling its defense and indemnity obligations under this Agreement; (5) any amounts paid by Lincoln for penalties, fees or other charges by governmental authorities arising out of Lincoln's failure to comply with legal requirements; (6) any amounts incurred by Lincoln for Lincoln-County Project delays that are not County Changes or Force Majeure Events; (7) any amounts that are Lincoln's responsibility under Sections 6.3 or 6.5; (8) any amount of staff or administrative costs that exceed the amounts allowed under the definition of Allowable Staff Costs; (9) payments that Lincoln makes to or on behalf of third party developers except to the extent such payment is for acquiring a real property interest required for the Lincoln-County Project; (10) Lincoln's costs for legal counsel advising on this Lincoln-County Project without limiting clauses (a), (c) and (d) above; (11) any amounts incurred after Project Final Completion or incurred for the operation of the Regional Facilities; and (12) costs payable under the DERA that exceed the not-to-exceed amount in Section 9 of the DERA, as amended.

1.1.9 "CM" means the third party construction management firm to be engaged by Lincoln to manage the work of the construction contractors engaged by Lincoln to build the Lincoln-County Project.

1.1.10 "COJA Change Order" means a written authorization signed by Lincoln and the County adjusting the Approved Design, Capital Charge, or Project Completion Dates, as provided in Section 4.2.5 or Section 4.3.17.

1.1.11 "Committed EDUs" means the applicable Party's total sum of (a) EDUs of its customers currently connected to the Regional Facilities plus (b) EDUs of capacity prepaid by or on behalf of that Party's future customers not yet connected to the Regional Facilities.

1.1.12 "Confidential Information" is any information provided to a Party in the course of this Lincoln-County Project or in the operation of the Regional Facilities that directly concerns the internal operations, strategic plans or legal affairs of the Confiding Party as well as any information identified as confidential by the Confiding Party.

1.1.13 "Confiding Party" means the Party that is confiding its Confidential Information to the other Party.

1.1.14 "Connection Fee Report" means the report attached as Exhibit 10, which has been approved by the Parties.

1.1.15 "County Changes" are any of the following: (a) a material change in the scope of the Lincoln-County Project reflected in the Approved Design that is required by the County for reasons other than Differing Site Conditions or a mistake, error or problem resulting from the act or omission of Lincoln or any of its designers or contractors; or (b) critical path delays to the extent caused by the failure of the County to perform as required by this Agreement and only to the extent such delays are not concurrent with other Lincoln-County Project delays.

1.1.16 The word **"delay"** means any and every type of delay, obstruction, hindrance, interference, loss of productivity, or inefficiency of any kind.

1.1.17 "Decommissioning Substantial Completion" means the date on which the construction work on the decommissioning of the SMD 1 WWTP Site and the construction of the emergency containment basin at the SMD 1 WWTP Site has been substantially completed so that they can be used for their intended purposes and only minor work of a "punch list" nature remains incomplete.

1.1.18 "Decommissioning Completion Date" means February 15, 2016, as may be extended pursuant to this Agreement.

1.1.19 "Differing Site Conditions" means conditions encountered at the Lincoln-County Project site that are either (i) material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law, (ii) subsurface or latent physical conditions that differ materially from those indicated in the Approved Design or (iii) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in this Agreement.

1.1.20 "EDU" means an equivalent dwelling unit, which is estimated to equal the quantity and quality of wastewater generated by an average single family dwelling, and which is determined based on 215 gallons per day per EDU and biological oxygen demand of 0.50 lb per day per EDU.

1.1.21 "Expansion Project" means a future project needed for expanding the capacity of the Regional Facilities or any of its components.

1.1.22 "Force Majeure Event" means a natural disaster, terrorist action or act of war in the area of the Lincoln-County Project that necessarily delays the critical path of the Lincoln-County Project.

1.1.23 "Indemnitees" means the County, State of California and their respective elected officials, officers, employees and affiliates.

1.1.24 "Independent Auditor" means the independent auditor to be engaged by County per Section 4.1.6.

1.1.25 "Independent Monitor" means the independent third party engineering firm to be engaged by Lincoln per Section 5.3.9 to monitor both Parties' wastewater flow, biological load and Reclaimed Water volume.

1.1.26 "Initial County Capacity" means 1.7 MGD of influent treatment at average dry weather flow, 11 MGD of pump station and influent treatment at peak flow equivalent to 8094 EDUs and 14.7 MGD of pipeline peak flow.

1.1.27 "Material Default" means the breach or failure to perform any material obligation of that Party under this Agreement. For clarity, Lincoln's failure to comply with any requirement of the State Water Board related to the SRF financing will be a Material Default.

1.1.28 "MGD" means millions of gallons per day.

1.1.29 "Obligated EDUs" means the applicable Party's total sum of (a) EDUs of its customers currently connected to the Regional Facilities plus (b) EDUs of capacity prepaid by or on behalf of that Party's future customers not yet connected to the Regional Facilities. EDUs of unused, non-prepaid existing treatment capacity will be added to Lincoln's total sum of Obligated EDUs.

1.1.30 "Operations Charge" is the amount per month for each EDU (or fraction thereof) of the County's customers connected to the Regional Facilities, charged by Lincoln to the County as compensation for Lincoln's services under this Agreement during the Operations Period per Section 5.2.1.

1.1.31 "Operations Period" means, initially, the period between Treatment Substantial Completion and the fifth year anniversary of that date, but will be extended to cover the period until the Parties execute a separate agreement governing future operations and maintenance of the Regional Facilities or the County elects by written notice to end the Operations Period.

1.1.32 "Oversight Committee" is the committee described in Section 5.4.1.

1.1.33 "Oversizing Contingency" means that contingency included within the Capital Charge with an initial value equal to the amount originally estimated for the Oversizing Payment, as shown in Exhibit 5.

1.1.34 "Oversizing Payment" is the dollar value resulting from subtracting (a) the aggregate Capital Costs through Project Final Completion paid or due to Lincoln or to others on Lincoln's behalf from (b) the Capital Charge, provided that the Oversizing Payment may not exceed $2,200 per EDU of Initial County Capacity (i.e., $17,806,800 based on an Initial County

Capacity of 8094 EDUs). A negative value means that no Oversizing Payment is due. The Oversizing Payment serves as a capacity charge contingent on Lincoln's ability to deliver the Lincoln-County Project within the Capital Charge.

1.1.35 "Party" means either of Lincoln or County, as applicable, and "Parties" mean both of them.

1.1.36 The **"peak flow"** means the maximum wastewater flow that occurs over a specific length of time (e.g., daily, hourly, instantaneous). For the purposes of this Agreement, peak flow will be the instantaneous wastewater flow.

1.1.37 "Project Completion Dates" means the Treatment Completion Date, Decommissioning Completion Date, and/or the Project Final Completion Date, as applicable.

1.1.38 "Project Final Completion" means the date when all of the following have occurred: the Lincoln-County Project has been completely constructed according to the Approved Design (as modified by COJA Change Order); no punch list work remains to be completed; Lincoln has certified to the County that construction is finally complete and all Capital Costs have been incurred; and the County has issued written notice of non-objection to the certification of Project Final Completion, provided that if the County fails to issue either a notice of non-objection or a notice objecting to the certification within ten days of receipt of Lincoln's certification, that the County will be deemed to have issued a notice of non-objection. Issuing a notice of non-objection does not waive any rights or remedies that the County otherwise has under this Agreement.

1.1.39 "Project Final Completion Date" means March 31, 2016, as may be extended pursuant to this Agreement.

1.1.40 "Project Neutral" is Steven Block (http://steveblockarbitration.com) or any successor appointed to act as the Project Neutral pursuant to Section 7.2. The alternate Project Neutral is William (Bill) L. Baker (bill@wlbakerlaw.com) or any successor appointed to act as the alternate Project Neutral pursuant to Section 7.2.

1.1.41 "Project Schedule" means the Lincoln-County Project schedule to be prepared and updated by Lincoln per Section 4.3.16. The current Project Schedule is attached as Exhibit 4.

1.1.42 "Proportionate Flow" means a Party's percentage share of the total volume of wastewater influent entering the Lincoln WWTRF calculated based on the ratio of (a) a Party's volume of wastewater entering the Regional Facilities during a given period to (b) the total volume of wastewater entering the Lincoln WWTRF during that same period. The volume measurement for the County is the volume of wastewater entering at its point of connection based on the flow data reported by the newly installed mag meter unless contradicted by the Independent Monitor. The volume of wastewater entering the Regional Facilities that is attributable to Lincoln will be the total volume of influent measured at the point of entry into the Lincoln WWTRF less the volume of the County's influent entering the Regional Facilities at the County's point of connection.

1.1.43 "Reclaimed Water" means the water that been discharged from the Lincoln WWTRF after being treated in accordance with applicable law.

1.1.44 "Regional Facilities" means, upon Treatment Substantial Completion, the totality of the Lincoln WWTRF, the pumping facilities at the Joeger Road site in North Auburn and the pipelines connecting the two (including a force main conveyance pipeline and gravity pipelines) and all other necessary appurtenances more particularly described in Exhibit A.

1.1.45 "Regional Sewer Conveyance Connection Fee" means that amount per EDU as established in the Connection Fee Report attributable to additional County connections beyond those included in the Initial County Capacity, covering an equitable share of the cost of the Lincoln-County Project constructed under this Agreement and the cost to fund future expansion of the Regional Facilities' conveyance facilities outside Lincoln's boundaries.

1.1.46 "Regional Sewer Oversizing Connection Fee" is equal to a base amount of $152 for each EDU (or fraction thereof) of additional capacity granted by Lincoln as adjusted per the following: at the time for payment of the Regional Sewer Oversizing Connection Fee, this base amount will be adjusted by the percentage change of the ENR Construction Cost Index (currently available at http://enr.construction.com/economics) from a base year of 2004.

1.1.47 "Regional Sewer Treatment Connection Fee" means the amount per EDU as established in the Connection Fee Report attributable to additional connections by the Parties beyond those connected to the Regional Facilities at Treatment Substantial Completion, covering an equitable share of the cost of the Lincoln-County Project constructed under this Agreement and the cost to fund future expansion of the Regional Facilities' treatment facilities (including the Lincoln WWTRF).

1.1.48 "Regulatory Change" means a change in the applicable laws or regulations regarding wastewater collection and treatment for the Regional Facilities.

1.1.49 "Regulatory Infraction" means a finding or determination by the federal Environmental Protection Agency or the Regional Water Quality Control Board that the Regional Facilities are not in compliance with applicable laws or regulations regarding wastewater treatment.

1.1.50 "Routine Repair" means any single repair or rehabilitation measure for the Regional Facilities that costs less than $5,000 for the cost of parts and labor. Any repair or rehabilitation purchase or invoice costing over $5,000 that represents a bundling of similar purchases or an accumulation of measures that each would be smaller than $5,000 if purchased singly is also Routine Repair. Any repair or rehabilitation measure for the Regional Facilities that does not meet the definition of Routine Repair is still an R&R Project.

1.1.51 "R&R Projects" are repair and rehabilitation measures for various components of the Regional Facilities undertaken after commencement of the Operations Period.

1.1.52 "R&R Study" means the study attached as Exhibit 9, which has been approved by the Parties.

1.1.53 "Senior Executives" mean the County's Director of Facility Services and Lincoln's Public Services Director.

1.1.54 "State Water Board" means the California State Water Resources Control Board.

1.1.55 "SRF" means the State Water Resources Control Board Clean Water State Revolving Fund financial assistance program.

1.1.56 "Treatment Substantial Completion" means the date when Lincoln-County Project construction is sufficiently complete that Lincoln has begun treating County's SMD 1 wastewater at the Lincoln WWTRF at the Initial County Capacity.

1.1.57 "Treatment Completion Date" means August 31, 2015, as may be extended pursuant to this Agreement.

2. Project Description.

The "Lincoln-County Project" is a part of an intended regional wastewater project consisting generally of pumping facilities and other improvements at the County's existing Sewer Maintenance District 1 site on Joeger Road in North Auburn ("SMD 1 WWTP Site"), pipelines (including a gravity force main conveyance pipeline and gravity pipeline) and associated facilities connecting the SMD 1 WWTP Site to the existing City of Lincoln Wastewater Treatment and Recycling Facility on Fiddyment Road in Lincoln (the "Lincoln WWTRF"), and certain improvements to the Lincoln WWTRF. The Lincoln-County Project is more particularly described in Exhibit 1. If the City of Auburn ("Auburn") separately joins the regional project, then the Lincoln-County Project would be part of the Mid-Western Placer Regional Sewer Project ("MWPRS Project"), which in addition to the Lincoln-County Project could include some or all of the following: improvements to Auburn's wastewater treatment facilities, pipelines and associated facilities to convey Auburn's wastewater to the Lincoln WWTRF, and additional improvements to the Lincoln WWTRF.

Funding for the Lincoln-County Project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.)

3. Relationship of the Parties

3.1 Prior Agreement. Lincoln and County have previously entered into the DERA in connection with the Lincoln-County Project.

3.1.1 This Agreement supersedes the DERA to the extent of this Agreement's subject matter, but Lincoln will perform all remaining obligations under the DERA, including without limit acquiring any remaining real property interests, any remaining design for the Lincoln-County Project, compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), acquiring all necessary permits (excluding County Facility Services Department consultants and staff time), completing the bid process in compliance with SRF guidelines, and performing all studies as delineated therein. All amounts paid by the County or due to Lincoln under the DERA are covered by, and credited toward, the Capital Charge.

3.1.2 The Parties will perform their respective obligations described in Sections 4(e), 5(a) and 6 of the DERA. The agreed route for the rights of way that Lincoln has or will acquire is shown in Exhibit 2. Any deviations from the agreed route require the written approval of the Authorized Representative of the County prior to Lincoln acquiring a right of way for the Lincoln-County Project outside the agreed route, which approval will not be unreasonably withheld or delayed. For acquisition of real property interests other than rights of way, Lincoln will obtain written approval of the County prior to Lincoln acquiring such real property interest. All costs of acquiring real property interests will be as delineated in the DERA and are covered by, and credited toward, the Capital Charge.

3.1.3 Any agreed adjustment of the not-to-exceed amount in Section 9 of the DERA by the Parties does not increase the Capital Charge unless the adjustment is due to a County Change and a COJA Change Order is mutually agreed.

3.2 No Agency Relationship. The Parties' relationship under this Agreement is that of independent contractors. Neither Party is an agent, fiduciary, partner, or affiliate of the other, except to the limited extent set forth in Exhibit 6A.

3.3 City of Auburn Participation. Lincoln and Auburn have had discussions regarding the possibility of Auburn participating in the MWPRS Project. If Auburn joins the MWPRS Project, Lincoln and Auburn will enter into a separate agreement to provide for such participation, and the Parties will endeavor to negotiate a separate agreement with Auburn regarding certain common issues connected with the MWPRS Project, which may require revisions to this Agreement.

3.4 Joint Exercise of Powers. The Parties are entering this Agreement pursuant to authority under California Government Code Section 6500 et seq. For clarity, the Parties are not creating a separate joint powers agency, but are jointly exercising their statutory powers through this Agreement.

4. Construction of Lincoln-County Project

4.1 Administration.

4.1.1 Authorized Representatives. Each Party's Authorized Representative will have the authority to represent its Party and make decisions for that Party under this Agreement. Each Party's Authorized Representative is responsible for determining when a particular decision requires the prior authorization of the Party's Board of Supervisors or City Council.

4.1.2 Project Coordination Team. During the construction of the Lincoln-County Project, the Parties agree to work together through a project coordination team ("PCT"). The PCT will include each Party's Authorized Representative and such other staff or consultants as a Party desires. The PCT will meet periodically as agreed by its members, but at least monthly, to review progress and cooperate in fulfilling each Party's responsibilities under this Agreement.

(a) Lincoln agrees to provide information on the progress of the Lincoln-County Project and advise the PCT on the analyses and decisions made for the Lincoln-County Project since the last meeting. Lincoln agrees to receive input from the PCT and will endeavor to timely address concerns or other issues raised by the PCT.

(b) In the event of an unresolved dispute among the PCT regarding a Party's rights or obligations under this Agreement, the dispute resolution procedures of Article 7 will apply.

4.1.3 Lincoln Insurance Obligations. During the construction of the Lincoln-County Project, Lincoln must meet the insurance requirements set forth in Exhibit 7A. Failure to maintain the required insurance will be a Material Default by Lincoln, and if not timely cured will give County the right, at its election and in addition to any other remedies provided herein, to procure any required insurance on behalf of Lincoln at Lincoln's expense.

4.1.4 County Insurance Requirements. During the period in which County is carrying on operations at the SMD 1 WWTP Site, County must meet the insurance requirements set forth in Exhibit 7D. Failure to maintain the required insurance will be a Material Default by County, and if not timely cured will give Lincoln the right, at its election and in addition to any other remedies provided herein, to procure any required insurance on behalf of County at County's expense.

4.1.5 Construction Period Reporting.

(a) In addition to any information to be reported under other provisions of this Agreement, Lincoln will provide a monthly report to the County (and County will promptly provide such report to the State Water Board) during the construction of the Lincoln-County Project, in a format approved by the PCT and State Water Board, that addresses at least the following items:

(i) A summary of progress to date, including a description of progress since the last report, percentage of construction complete, percentage of contractor prices invoiced and percentage of schedule elapsed;

(ii) the work sites where work is scheduled to be performed in the coming month together with the anticipated work activities at those sites;

(iii) an updated cash flow forecast of Capital Costs, including the Capital Costs incurred in the previous month and to date with a break-out by cost category per Exhibit 6A, the current balance of the Capital Contingency and Oversizing Contingency, and the estimated amount of Capital Costs to complete construction of the Lincoln-County Project;

(iv) Capital Costs associated with Differing Site Conditions per Section 4.3.14;

(v) the current status of any unresolved known or potential claims that would qualify as a Capital Cost;

(vi) a description of compliance with environmental requirements;

(vii) contractor change orders requested or granted in the previous month that would qualify as a Capital Cost, including amount, description of work and change in contract amount and schedule;

(viii) the current status of any COJA Change Orders or potential COJA Change Orders under this Agreement;

(ix) any public communications or outreach regarding the Lincoln-County Project during the previous month; and

(x) any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

(b) As Needed Reports. Lincoln agrees to expeditiously provide, during the construction or operation of the Lincoln-County Project, such reports, data, and information as may be reasonably required by the State Water Board, including but not limited to material necessary or appropriate for evaluation of the Clean Water State Revolving Fund Program or to fulfill any reporting requirements of the federal government.

(c) Federal Disadvantaged Business Enterprise (DBE) Reporting. Lincoln agrees to report DBE utilization to the County (so that County may report to the State Water Board) on the DBE Utilization Report, State Water Board Form DBE UR334. Lincoln must submit such reports to the County (so that County may report to the State Water Board) semiannually within 5 calendar days following April 1 and October 1 of each calendar year through Project Final Completion. Lincoln agrees to comply with 40 CFR § 33.301.

4.1.6 Independent Auditing of Capital Costs. County will engage an Independent Auditor approved by Lincoln to audit the Capital Costs for the Lincoln-County Project. The costs and fees of the Independent Auditor will be County's responsibility and will not be Capital Costs.

(a) The essential role of the Independent Auditor will be to objectively and independently ascertain: (a) whether the Capital Costs in Lincoln's payment requests are accurately stated and not duplicated or previously paid; (b) whether amounts paid to Lincoln's contractors, consultants and other payees reasonably appear to be appropriate under the terms of their respective contracts; (c) that amounts included in Lincoln's payment requests reasonably appear to qualify as Capital Costs under this Agreement; and (d) that County's disbursements of payments under Exhibit 6 are in accord with amounts approved for payment under this Agreement.

(b) The Independent Auditor will perform the following audits:

(i) quarterly "spot" audits in which the Independent Auditor analyzes a representative sample of the Capital Costs included in Lincoln's payment requests and those paid by County during the previous quarter. The first two quarterly audits will include a more intensive sampling in order to establish clearer expectations among the Parties about the characterization and processing of costs.

(ii) annual complete audits of the Capital Costs included in Lincoln's payment requests and those paid by County during the previous year.

(iii) a complete audit after Project Final Completion of all Capital Costs included in Lincoln's payment requests and those paid by County from the outset of the Lincoln-County Project (including those payments covered by the Advance Funding Agreement dated May 8, 2012 and the DERA). The Independent Auditor, in its independent

professional judgment, may rely on the results of the previously completed annual audits in conducting the final audit.

(c) After each audit, the Independent Auditor will issue a written report to the Parties. The Parties may use the findings of the audit report in reconciling amounts due for unpaid Capital Costs or to be credited for costs paid which were not Capital Costs, or in assessing any withholding allowed under this Agreement, or in dispute resolution.

(d) Each Party will allow the Independent Auditor to access and copy their books, contracts, records and files related to Capital Costs during reasonable business hours.

4.1.7 SRF Record-Keeping and Audit Requirements.

(a) Without limiting Lincoln's obligation to maintain Lincoln-County Project accounts in accordance with generally accepted accounting principles, Lincoln agrees to:

(i) Establish an official file for the Lincoln-County Project which will adequately document all significant actions relative to the Lincoln-County Project;

(ii) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Lincoln-County Project;

(iii) Establish separate accounts which will adequately depict all income received which is attributable to the Lincoln-County Project;

(iv) Establish an accounting system which will accurately depict final total costs of the Lincoln-County Project, including both direct and indirect costs;

(v) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and

(vi) If Lincoln uses its own employees or equipment for any construction of the Lincoln-County Project, other than for planning, design, and construction engineering and administration, accounts will be established which reasonably document all employee hours charged to the Lincoln-County Project and the associated tasks performed by each employee.

(b) Lincoln must maintain and retain separate books, records and other material relative to the Lincoln-County Project for itself and for each contractor or subcontractor who performed work on the Lincoln-County Project until three years after the date of completion of the applicable construction project, or until the resolution of any dispute, litigation or investigation commenced prior to the end of such three year period, whichever period is longer (the "Retention Period"). Lincoln will require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and will allow interviews during normal business hours of any employees who

might reasonably have information related to such records. At the end of the Retention Period for a construction contract, Lincoln will provide all such books, records, and other relevant documentation regarding the project held by Lincoln and that contractor to County. Lincoln recognizes that County is required by the State Water Board to maintain such records for 36 years after Lincoln-County Project completion. Lincoln agrees to include a similar right regarding audit, interviews, and records retention in any construction contract for the Lincoln-County Project. The provisions of this section will survive the expiration or termination of this Agreement.

(c) Audit. The State Water Board, at its option, may call for an audit of financial information relative to the Lincoln-County Project. Where such an audit is called for, the audit will be performed by a certified public accountant independent of the County and County will be responsible for the costs for such audit, but such costs will not be Capital Costs chargeable against the Capital Charge. The audit will be in the form required by the State Water Board. If any Capital Costs paid by the County are disallowed by the State Water Board, then:

(i) to the extent the disallowance was the result of Lincoln's failure to comply with the COJA, then Lincoln will return such amounts to the County or the County may offset such amounts against other amounts due to Lincoln; or

(ii) to the extent the disallowance was the result of the nature of the cost not being reimbursable under the SRF financing (other than by reason of Lincoln's failure to comply with the COJA), then, provided the cost met the definition of a Capital Cost and payment was required under the COJA, County will be responsible for repaying such disallowed cost to the State Water Board.

(d) Financial Management System and Standards. Lincoln agrees to comply with federal standards for financial management systems. Lincoln agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Lincoln-County Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of the SRF financing. To the extent applicable, Lincoln agrees to be bound by, and to comply with, the provisions and requirements of the federal Single Audit Act of 1984, Office of Management and Budget (OMB) Circular No. A-133, and updates or revisions, thereto. (Pub. L. 98-502.)

(e) Accounting and Auditing Standards. Lincoln will maintain separate Lincoln-County Project accounts in accordance with generally accepted accounting principles. Lincoln will comply with "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" promulgated by the U.S. General Accounting Office. (40 CFR § 35.3135, subd. (I).)

4.1.8 Required Disclosure. Lincoln must include the following disclosure statement in any document, written report, or brochure prepared in whole or in part for the Lincoln-County Project:

> "Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and

policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.)"

4.2 Finance.

4.2.1 Payment of Capital Costs. The County will pay Capital Costs per the terms of this Agreement. In its payment requests, Lincoln will comply with the requirements of Exhibit 6 and provide to the County documentation of Capital Costs incurred together with all back-up information including but not limited to: invoices/pay applications from designers, CM, contractors, consultants and suppliers; real property instruments; time sheets; salaries; invoices and statements; itemized administrative costs; other documentation reasonably required by the County; and any and all documentation as may be required by the State Water Board.

(a) Per the terms of the Paying Agent Provisions (Exhibit 6A), County will disburse amounts to pay Capital Costs on behalf of Lincoln to Lincoln's third party contractors, consultants and other payees. For those Capital Costs that are Allowable Staff Costs, County will reimburse Lincoln per Exhibit 6. By disbursing Capital Costs on behalf of Lincoln, County is not assuming any liability or obligation to Lincoln's contractors, consultants or other payees.

(b) Lincoln will report and manage its Capital Costs using the cost categories indicated in Exhibit 6A. No duplicative charges for Capital Costs that fit into more than one category (whether in Exhibit 6A or in the definition of Capital Costs) will be paid.

(c) In processing a payment request under Exhibit 6A, the County may only make adjustments to the payment amount to the extent required to address: (1) mathematical errors in the payment request; (2) adjustments identified by the Independent Auditor for a previous payment; or (3) adjustments for payment made on a previous payment request as determined under Section 4.2.1(c)(i) below.

(i) Without delaying the processing of a payment under Section 4.2.1(c), the County will review in detail the submitted payment request. To the extent that the County reasonably determines to withhold payment under any of the categories established below, the County will advise Lincoln in writing of any amounts that County intends to withhold from the next month's payment, giving the reasons for the withholding and the conditions for future release of the withheld funds. If Lincoln disputes the appropriateness of the proposed withholding, then the dispute will be resolved under the expedited process of Section 7.2. The County may adjust a succeeding month's requested payment amount to reflect the County's proposed withholding (if undisputed) or the amount of withholding determined by the Project Neutral (if applicable). The categories for which County may withhold payment of Capital Costs under this Section 4.2.1(c)(i) are as follows:

(1) an amount to cover claims made against the County that arise out of the Lincoln-County Project and for which Lincoln is responsible under this Agreement;

(2) an amount to cover damage to the County's property caused by Lincoln or any of its contractors when performing the Lincoln-County Project;

(3) disputed amounts in Lincoln's payment requests, but only to the extent of the disputed amount;

(4) an amount to cover penalties, fines or other charges of governmental authorities assessed against the County on account of acts or omissions of Lincoln or any of its contractors when performing the Lincoln-County Project, provided that this does not apply to fines imposed on the County by the Central Valley Regional Water Quality Board prior to the Treatment Completion Date for the County's discharges at the SMD 1 WWTP Site; or

(5) an amount to cover costs or damages incurred by the County in connection with a Material Default by Lincoln that are not covered under the categories above.

(ii) If Lincoln fails to address the reason for withholding as required under this Agreement or applicable law, the County may keep the withheld funds to the extent such funds will offset the County's costs, losses and damages connected with that item. When and to the extent the applicable reason(s) for withholding payment are removed, payments will be made for such amounts previously withheld in the next monthly payment, with any appropriate offsets and with no interest owed. Payments wrongfully withheld will bear interest from the date the payment was originally due to the date paid at the rate set forth in Section 8.14.

(d) The County may also withhold payment of all Capital Costs during any period in which Lincoln has not cured a Material Default after notice pursuant to Section 6.5.

(e) Prior to any settlement of Lincoln-County Project claims which Lincoln is allowed to charge as Capital Costs under this Agreement, Lincoln will provide written notice of the proposed terms of the settlement to the Authorized Representative of the County for written approval, not to be unreasonably withheld or delayed. If the County has acted reasonably in not approving a proposed settlement, then Lincoln will either negotiate a settlement that the County reasonably approves in writing or negotiate an amount of the proposed settlement which the County reasonably agrees to pay as Capital Costs with Lincoln bearing the cost of the difference. Any claim that the County has acted unreasonably will be resolved per Article 7.

(f) All Capital Costs paid by the County to Lincoln for the Lincoln-County Project prior to the effective date of this Agreement will be credited against the Capital Charge.

(g) If at any time it appears reasonably probable to Lincoln that the aggregate Capital Costs paid by the County will exceed the Capital Charge, Lincoln will immediately notify the County in writing and call for a special meeting of the PCT to discuss the situation. At the election of the County, Lincoln must suspend work on the Lincoln-County Project until the County provides written authorization to proceed. Should Lincoln fail to provide the written notice required under this section at least three months prior to incurring Capital Costs that would overrun the Capital Charge, Lincoln will be solely responsible for paying all

Capital Costs exceeding the Capital Charge notwithstanding anything to the contrary in this Agreement.

4.2.2 Capital Contingency. The Capital Charge includes a Capital Contingency separate from the Oversizing Payment. The Capital Contingency is available for Lincoln to cover any Capital Costs prior to Project Final Completion that were unanticipated by Lincoln at the outset of the Lincoln-County Project, such as greater than anticipated construction bids, Differing Site Conditions, and Lincoln-County Project delays not constituting County Changes. Use of this Capital Contingency requires ten days advance notice and the written approval of the Authorized Representative of the County, not to be unreasonably withheld. The Capital Contingency is not available to pay for County Changes.

4.2.3 Oversizing Payment & Oversizing Contingency. Lincoln has included within the Capital Charge an Oversizing Contingency equal to the originally estimated Oversizing Payment. The Oversizing Contingency serves as additional contingency for the Lincoln-County Project should the separate Capital Contingency be fully depleted, at which time the Oversizing Contingency would be used on the same basis as the Capital Contingency as described in Section 4.2.2 above. For clarity, the Oversizing Contingency is only used if and when the Capital Contingency is depleted. County will deposit the funds for the Oversizing Contingency with the Paying Agent per the Paying Agent Provisions (Exhibit 6A). If an Oversizing Payment has been generated because the aggregate Capital Costs through Project Final Completion paid or due to Lincoln are less than the Capital Charge, then Lincoln will earn the Oversizing Payment once the Lincoln-County Project has achieved Project Final Completion and the contract-required volume of wastewater of the County is being treated by the Regional Facilities. Any earned Oversizing Payment will be paid to Lincoln promptly after Project Final Completion provided that there is no uncured Material Default by Lincoln at that time.

4.2.4 Obtain SRF Financing. The County will endeavor to obtain financing for its payment obligations from the SRF, and Lincoln will provide all reasonably necessary assistance, including those actions indicated in the DERA and elsewhere in this Agreement. The Parties agree and acknowledge that obtaining financing through the SRF will require meeting specific SRF-mandated deadlines, including State Water Board receipt of a complete, financeable application by September 30, 2013. The Parties further agree and acknowledge that a complete SRF package includes, but is not limited to, all documentation required by the Policy for Implementing The Clean Water State Revolving Fund for Construction of Wastewater Treatment Facilities as Amended March 2009, including environmental documentation with permits, credit and legal documentation, Project Performance Certifications, tax submittals, required Resolutions, a Project Facilities Plan, and specific mandated forms. The County and Lincoln agree to work cooperatively to ensure that deadlines and all required documentation, submittal requirements and related guidelines are met.

(a) Failure to obtain the SRF financing will not be a Material Default. If the County is unsuccessful in obtaining SRF financing in an amount sufficient to cover the Capital Charge, the County may terminate this Agreement upon written notice to Lincoln. After such a termination, provided that there is no uncured Material Default by Lincoln at the time of termination, the County must promptly reimburse Lincoln for all undisputed and unpaid Capital Costs owed by County under this Agreement that are incurred by Lincoln through the effective date of termination and a reasonable period of time thereafter for Lincoln to terminate its design and construction contracts, cancel orders of materials and equipment and restore any excavation or disturbed conditions. Disputed Capital Costs will be resolved per Article 7.

Payment of Capital Costs through the effective date of termination will be Lincoln's sole remedy for a termination under this section.

4.2.5 Allowed Adjustments to Capital Charge. The Capital Charge may only be adjusted based on one or more of the following:

(a) Escalation/De-escalation. The Capital Charge contains an allowance as shown in Exhibit 5 to cover inflation in the cost of construction work on an assumption of 2% annual inflation from February 1, 2012 to July 1, 2014 (the mid-point of construction). Upon the Adjustment Date (see below), the $51,000,000 estimate for construction work in Lincoln's 2012 offer will be adjusted based on the percentage change of the ENR Construction Cost Index (currently available at http://enr.construction.com/economics) from February 2012 to the Adjustment Date. If the incremental amount of adjustment of that construction estimate exceeds the inflation allowance in the Capital Charge, then the Capital Charge will be increased by the amount by which such incremental adjustment exceeds the inflation allowance in the Capital Charge, and the inflation allowance will be reduced to zero. If the incremental amount of adjustment in that construction estimate does not exceed the inflation allowance in the Capital Charge, then any remaining amount in the inflation allowance after subtracting the incremental adjustment will result in a reduction in the Capital Charge. Changes to the Capital Charge under this Section 4.2.5(a) will be documented in a COJA Change Order.

(i) The "Adjustment Date" is July 1, 2014.

(b) County Changes to the Approved Design. The County may require a change to the Approved Design by written notice to the Authorized Representative of Lincoln. If the change qualifies as a County Change, then Lincoln will be entitled to an equitable adjustment to the Capital Charge and/or the applicable Project Completion Dates. Lincoln and the County will negotiate in good faith the amount of adjustment to the Capital Charge, Project Completion Date(s), and, if applicable, the Operations Charge. If Lincoln and the County agree to make the requested change, the change in the Approved Design and other terms will be documented in a COJA Change Order signed by Lincoln and the County. Lincoln will have no right to disapprove County's requested change in the Approved Design unless the change would not comply with applicable laws or regulations, would materially harm the interests of Lincoln's existing customers, or be technically impracticable to implement.

(c) Delays for which the County is Responsible. If Lincoln desires to claim that a critical path delay in the Lincoln-County Project is a County Change, it will notify the Authorized Representative of the County in writing within seven days of the occurrence of the event or circumstance causing the delay. The notice will indicate the nature and estimated length of the delay and provide specific details of the facts and contractual provisions justifying characterization of the delay as a County Change. Failure to timely provide such notice will waive Lincoln's right to claim an adjustment of the Capital Charge or Project Completion Dates for that delay. Lincoln will promptly provide documentation requested by the County to show its calculation of the requested adjustment to the Capital Charge and Project Completion Dates. If the delay qualifies as a County Change and the required notice was timely given, Lincoln will be entitled to an equitable adjustment of the applicable Project Completion Dates and, to the extent such delay results in actual additional Capital Costs, of the Capital Charge. Lincoln and the County will negotiate in good faith the amount of adjustment to the Project Completion Dates and, if applicable, the Capital Charge, which will be documented in a COJA Change Order signed by Lincoln and the County. If the Parties are not able to agree, the dispute will be resolved under Article 7.

(d) For Differing Site Conditions to the extent allowed under Section 4.3.14.

(e) If there is a Material Default by Lincoln and Lincoln has failed to cure the default(s) under Section 6.5.1, then the Capital Charge will be reduced by the aggregate amount of costs that the County offsets pursuant to this Agreement against amounts owed to Lincoln.

4.2.6 Payment for County Changes. The County will bear all additional Capital Costs resulting from a County Change, and Lincoln will segregate those additional Capital Costs in its payment requests.

4.2.7 Prevailing Wages. Lincoln agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages and by Exhibit 15. Lincoln will monitor all contracts subject to reimbursement under this Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 and the requirements of Exhibit 15 are being met.

4.2.8 Refunds, Rebates and Credits. Lincoln agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by Lincoln in connection with the construction of the Lincoln-County Project will be paid by Lincoln to the County, to the extent that they are properly allocable to Capital Costs paid by the County to or on behalf of Lincoln, provided, however, that any such refunds, rebates, credits or other amounts shall not result in a reduction of the Capital Charge unless they also represent a reduction in the scope of work or services provided to Lincoln.

4.2.9 No Private Use of Project. Lincoln covenants that none of the funds provided by the County to Lincoln, nor the Lincoln-County Project are, have been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). Lincoln further covenants that none of the funds provided by the County to Lincoln, nor the Lincoln-County Project are, have been or will be used for a Private Use that is unrelated to or disproportionate to the governmental use of those funds or the Lincoln-County Project. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a state or local governmental unit. The leasing of the Lincoln-County Project or the access by or the use of the Lincoln-County Project by a person or entity other than a state or local governmental unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local governmental unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal

to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

(a) With respect to management and service contracts, the determination of whether a particular use constitutes Private Use shall be determined on the basis of applying Section 1.141-3(b)(4) of the Treasury Regulations, Revenue Procedure 97-13, and other applicable rules and regulations. As of the date hereof, no part of the funds to be provided by the County nor the Lincoln-County Project are being used to provide property subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than state or local governmental units) that involve the management of property or the provision of services that do not comply with the standards of the Treasury Regulations and Revenue Procedure 97 13.

(b) Except to the extent that Lincoln has received an opinion of counsel expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel") and satisfactory to the State Water Board and the California Infrastructure and Economic Development Bank to the contrary, Lincoln will not enter into any management or service contracts with any person or entity that is not a state or local governmental unit for services to be provided with respect to the Regional Facilities except with respect to contracts where the following requirements are complied with: (i) the compensation is reasonable for the services rendered; (ii) the compensation is not based, in whole or in part, on a share of net profits from the operation of the Regional Facilities; (iii) not more than twenty percent (20%) of the voting power of Lincoln in the aggregate may be vested in the service provider and its directors, officers, shareholders, and employees and vice versa; (iv) any overlapping board members between Lincoln and the service provider must not include the chief executive officer or executive director of either, or their respective governing bodies; and (v):

(i) At least ninety-five percent (95%) of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee which is a stated dollar amount for services rendered for a specified period of time. The stated dollar amount may automatically increase according to a specified objective external standard that is not linked to the output or efficiency of a facility, e.g., the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective external standards. A fee shall not fail to qualify as a periodic fixed fee as a result of a one (1) time incentive award during the term of the contract under which compensation automatically increases when a gross revenue or expense target (but not both) is reached if that award is a single stated dollar amount. The term of the contract, including all renewal options, must not exceed the lesser of eighty percent (80%) of the reasonably expected useful life of the financed property and fifteen (15) years (twenty (20) years for "public utility property" within the meaning of Section 168(i)(10) of the Code);

(ii) At least eighty percent (80%) of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee. The term of the contract, including all renewal options, must not exceed the lesser of eighty percent (80%) of the reasonably expected useful life of the financed property and ten (10) years. A one (1) time incentive award during the term of the contract similar to the award described in subsection (a) above is permitted under this option as well;

(iii) At least fifty percent (50%) of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee or all of the compensation for services is based on a capitation fee or combination of a periodic fixed fee and a capitation fee. A capitation fee is a fixed periodic amount for each person for whom the service provider or Lincoln assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to covered persons vary substantially; e.g., a fixed dollar amount payable per month to a service provider for each member of a plan for whom the provider agrees to provide all needed services for a specified period. A capitation fee may include a variable component of up to twenty percent (20%) of the total capitation fee designed to protect the service provider against risks such as catastrophic loss. The term of the contract, including all renewal options, must not exceed five (5) years. The contract must be terminable by Lincoln on reasonable notice without penalty or cause, at the end of the third year of the contract;

(iv) All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fee. A per-unit fee is defined to mean a fee based on a unit of service provided as specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the program or Lincoln; e.g., a stated dollar amount for each specified procedure performed, car parked or passenger mile is a per-unit fee. The term of the contract, including all renewal options, must not exceed three (3) years. The contract must be terminable by Lincoln on reasonable notice, without penalty or cause, at the end of the second year of the contract term; or

(v) All of the compensation for services is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee. During the start up period, however, compensation may be based on a percentage of gross revenues, adjusted gross revenues, or expenses of a facility. The term of the contract, including renewal options, must not exceed two (2) years. The contract must be terminable by Lincoln on reasonable notice without penalty or cause, at the end of the first year. This type of contract is permissible only with respect to contracts under which the service provider primarily provides services to third parties, and management contracts involving a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses (e.g., a contract for general management services for the first year of the operations).

(c) If the compensation terms of a management or service contract are materially revised, the requirements for compensation terms must be retested as of the date of the material revision and the management or service contract is treated as one that was newly entered into as of the date of the material revision.

(d) A renewal option, for purposes of the foregoing, is defined to mean a provision under which the service provider has a legally enforceable right to renew the contract. Thus, for example, a provision under which a contract is automatically renewed for one (1) year periods absent cancellation by either party is not a renewal option, even if it is expected to be renewed.

(e) A cancellation penalty is defined to include a limitation on Lincoln's ability to compete with the service provider, a requirement that Lincoln purchase equipment, goods, or services from the service provider, and a requirement that Lincoln pay liquidated damages for cancellation of the contract; in comparison, a requirement effective on cancellation that Lincoln reimburse the service provider for ordinary and necessary expenses or a restriction

against Lincoln hiring key personnel of the service provider is generally not a contract termination penalty. Another contract between the service provider and Lincoln, such as an installment sale agreement or guarantee by the service provider, is treated as creating a contract termination penalty if that contract contains terms that are not customary or arm's length or that could operate to prevent Lincoln from terminating the contract (e.g., provisions under which the contract terminates if the management contract is terminated or that places substantial restrictions on the selection of a substitute service provider).

(f) The service provider must not have any role or relationship with Lincoln, that, in effect, substantially limits Lincoln's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

4.3 Construction.

4.3.1 General. Subject to the provisions of this Agreement, Lincoln has the sole responsibility to construct the Lincoln-County Project, including without limitation all permitting, construction management, bidding, contracting, environmental mitigation, and construction claims resolution. Without limiting Section 4.2.1, all costs associated with the construction, including without limitation payments due to design firms, consultants, CM, contractors and suppliers, legal costs, insurance costs, costs of permits and approvals, and costs of Lincoln's own staff are Lincoln's sole responsibility and covered by the Capital Charge. Lincoln will promptly notify the County in writing of the date of commencement of the construction work.

4.3.2 Approved Design and Permits. Lincoln will do all things necessary to construct the Lincoln-County Project according to the Approved Design. Lincoln will obtain all permits, licenses and other approvals per the DERA and as necessary to construct the Lincoln-County Project, and, subject to the remainder of this Section 4.3.2, pay all associated charges and fees. The County agrees to waive for Lincoln any processing fees that the County normally charges for permits issued by the County. Lincoln agrees that the Capital Costs will include up to a total cost of $100,000 for County staff time associated with the inspection of road restoration in County maintained roads incident to the construction of the Lincoln-County Project charged by the County's Department of Public Works (DPW) and Community Development Resource Agency (CDRA), provided that if the County demonstrates by reasonable documentation that additional inspection by DPW or CDRA is required due to the failure of Lincoln's contractors or CM to perform work in accordance with County road restoration standards, and provided that written notice is given to Lincoln by the County within 14 days of the work claimed to not meet the County road restoration standards, then the additional required inspection costs by DPW or CDRA will be chargeable to Lincoln and reimbursable as Capital Costs but without adjusting the Capital Charge, all subject to Lincoln's right to dispute such charges and/or claims of non-conforming work. Any dispute regarding additional DPW or CDRA inspection will be resolved per Article 7. Signed copies of all permits and licenses must be submitted to the County and State Water Board prior to commencement of construction work. Subject to Section 4.2.5(b), the Authorized Representatives of Lincoln and the County must each approve any changes in the Approved Design prior to the construction of any such changes. In addition, any substantial change in the scope of the Lincoln-County Project must be approved in advance by the State Water Board prior to executing any COJA Change Order or change order with a contractor for such change.

4.3.3 Approval of Contracts. For any design, consulting, CM or construction contract for the Lincoln-County Project having a value in excess of $100,000, the Authorized

Representative of the County must approve the contract value or price prior to Lincoln executing such contract and with at least ten days advance notice from Lincoln of the proposed contract value or price. This approval does not apply to contracts for work or services done pursuant to the DERA. Without limiting the prior sentences, Lincoln will award the prime construction contracts no later than the dates shown for such awards in Exhibit 4. Lincoln will promptly notify the County in writing of Lincoln's award of any design, consulting, CM or construction contract for the Lincoln-County Project, and the County will then promptly notify the State Water Board of such contract award. Without limiting Section 4.3.2, the Authorized Representative of the County must approve any change order or contract amendment increasing the contract value or price of a design, consulting, CM or construction contract for the Lincoln-County Project by more than $100,000 after receiving at least ten days advance notice from Lincoln of the proposed change order or contract amendment, provided that any proposed change order required because of an emergency as defined in Public Contract Code Section 1102 need only be submitted for County review one business day in advance of Lincoln's approval of the change order unless the change order involves a substantial change in scope of the Lincoln-County Project, in which case it must receive prior approval from the State Water Board.

4.3.4 Required Design Contract Provisions. Lincoln represents and warrants that it will include the following provisions in its contracts with design firms and consultants for the Lincoln-County Project, with any deviations (other than changes to conform to contract references or contract-defined words or phrases) in a particular contract specifically approved in writing by the County:

(a) the County of Placer is an intended third party beneficiary of the contract;

(b) the design firm or consultant acknowledges that the County has the right to approve the design of the Lincoln-County Project and any changes to the approved design;

(c) the design firm or consultant will defend and indemnify the County of Placer and State of California to the same extent that it defends and indemnifies Lincoln;

(d) the design firm or consultant is obligated to carry insurance meeting at least the requirements set forth in Exhibit 7C;

(e) the design firm or consultant agrees to look solely to Lincoln and not to the County of Placer for payment under that contract notwithstanding that the County of Placer may be disbursing payments to the design firm or consultant on behalf of Lincoln in certain instances;

(f) the design firm or consultant agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of the contract are subject to the rights of Lincoln, Placer County and the State of California as set forth in this section. Lincoln, the County and the State each have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the design firm or consultant may copyright the same, except that, as to any work which is copyrighted by the design firm or consultant, Lincoln, the County and the State each reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish,

and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the design firm or consultant upon request;

(g) the design firm or consultant waives and releases all claims against the County of Placer arising out of the contract or the Lincoln-County Project that are not caused by the active negligence of the County;

(h) the contract is assigned by Lincoln to the County of Placer effective only upon written notice to both Lincoln and the design firm or consultant from County accepting such assignment;

(i) Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.); and

(j) Lincoln may terminate the contract at its convenience upon at least seven days prior written notice.

4.3.5 Required Construction Contract Provisions. Lincoln represents and warrants that (1) it has included the following provisions in the proposed contracts with the CM and construction contractors in the bid documents for the Lincoln-County Project and (2) it will include the follow provisions in the final awarded CM and construction contracts, with any deviations (other than changes to conform to contract references or contract-defined words or phrases) in a particular contract specifically approved in advance in writing by the County:

(a) To the fullest extent permitted by law, the contractor will defend, indemnify and hold Lincoln, Lincoln's consultants and design firms, the County of Placer, the State of California, and their respective officers, directors, members, employees and affiliates ("Owner Indemnitees") harmless from any and all claims, losses, damages, liabilities and expenses (including legal, expert witness and consulting fees and costs) arising out of, or resulting from, the acts or omissions, in whole or in part (including breach of contract), of the contractor, its subcontractors and their respective officers, directors, partners, agents, employees or anyone for whom they may be liable. Notwithstanding the above, the contractor will not be required to defend, indemnify and hold harmless an Owner Indemnitee for the indemnitee's own active negligence, sole negligence or willful misconduct, provided that the contractor will continue to indemnify and defend the indemnitee to the extent and in proportion to the degree that the indemnitee is not actively negligent. The indemnification obligations set forth in this paragraph will not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the contractor under insurance policies, workers compensation laws, disability benefit laws or other employee benefit laws.

(b) The contractor will defend, indemnify, and hold Lincoln, the County of Placer and the State of California harmless from any and all claims, stop payment notices, or connected legal proceedings filed by the contractor or its subcontractors, suppliers, or other persons or entities claiming by or through the contractor by reason of having provided labor, materials, and equipment relating to the Lincoln-County Project;

(c) The contractor will carry insurance meeting at least the requirements set forth in Exhibit 7B;

(d) The contractor* will furnish both a faithful performance bond and a payment bond (the "Bonds") with penal sums equal to the contract price and in the forms set forth in Exhibit 8 prior to the commencement of its work. The City of Lincoln and the County of Placer will be dual obligees under the performance bond. The performance bond must cover the one-year period for correction of work under the contractor's warranty of its work. Bonds must be obtained from a California admitted surety that is licensed by the State of California to act as surety upon bonds and undertakings and which maintains in this State at least one office for the conduct of its business. The surety will furnish reports as to its financial condition from time to time upon request by Lincoln or the County of Placer. In case of any conflict between the terms of the contractor's contract and the terms of the Bonds, the terms of the contract will control and the Bonds will be deemed to be amended thereby. The contractor agrees to obtain the consent of the surety, if required, to any change, extension of time, alteration, or addition to any of the terms of the contractor's contract documents.

(e) The contractor agrees to look solely to Lincoln and not to the County of Placer for payment under that contract notwithstanding that the County may be disbursing payments to the contractor on behalf of Lincoln in certain instances;

(f) Statutory preliminary notices and any stop payment notices must be sent to Lincoln, not to the County of Placer;

(g) The contractor waives and releases all claims against the County of Placer arising out of the contract or the Lincoln-County Project that are not caused by the active negligence of the County;

(h) The contractor must provide statutory waiver and release forms to Lincoln for its progress payments and a statutory unconditional final waiver and release form to Lincoln upon final payment to the contractor;

(i) The contractor must comply with all SRF prevailing wage requirements, including, without limitation, California Labor Code Section 1771, the Davis-Bacon Act and related prevailing wage statutes, Contract Work Hours and Safety Standards Act, Copeland "Anti-Kickback" Act, and Walsh-Healey Public Contracts Act, and also must require its subcontractors to so comply†;

(j) The contractor must comply with the requirements of 40 CFR § 33.301, the SRF Disadvantaged Business Guidelines, and U.S. Environmental Protection Agency's Program for Utilization of Small, Minority and Women's Business Enterprises, and require its subcontractors to so comply. The USEPA's DBE rule can be accessed at www.epa.gov/osbp. The contractor must retain all records documenting compliance with the required DBE good faith efforts;

(k) The contractor must maintain and retain separate books, records and other material relative to the project until three years after the date of completion of the work, or until the resolution of any dispute, litigation or investigation commenced prior to the end

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* This requirement for Bonds does not apply to the CM contract.

† **Also, Lincoln must insert in full in each construction contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, those clauses so required in Exhibit 15.**

of such three year period, whichever period is longer (the "Retention Period"). The contractor will require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by Lincoln, Placer County, the State Water Board, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and will allow interviews during normal business hours of any employees who might reasonably have information related to such records. At the end of the Retention Period, the contractor agrees to provide all books, records, and other relevant documentation regarding the project held by contractor and each subcontractor to Lincoln, who will provide them to Placer County. Contractor recognizes that County is required by the State Revolving Fund to maintain such records for 36 years after project completion. The contractor agrees to include a similar right regarding audit, interviews, and records retention in all subcontracts for the work. The provisions of this section will survive the expiration or termination of the construction contract;

(l) The contractor will ensure that Lincoln, Placer County, the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, the President of the United States, or any authorized representative of the foregoing, will have suitable and safe access to the project site at all reasonable times during construction and will provide appropriate safety equipment for the visitors. Site visits by any of the foregoing will not constitute a delay or justify an extension of the contract time. The contractor acknowledges that the project records and locations are public records, including all reports, payment applications, and supporting documentation submitted to Lincoln or Placer County;

(m) Should a potential archeological or historical resource be discovered during construction of the project, the contractor agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State Water Board has determined what actions should be taken to protect and preserve the resource. The contractor agrees to implement appropriate actions as directed by the State Water Board;

(n) The contractor will immediately notify Lincoln upon discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act;

(o) The contractor and its subcontractors each agree that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of the contract are subject to the rights of Lincoln, Placer County and the State of California as set forth in this section. Lincoln, the County and the State each have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable by the contractor or its subcontractors, the author may copyright the same, except that, as to any such copyrighted work, Lincoln, the County and the State each reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the contractor or author upon request;

(p) Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board,

nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.);

(q) The contractor will comply with and require its subcontractors to comply with the list of federal laws in Exhibit 16 or any other federal laws as required by the State Water Board;

(r) The contractor, its employees, and subcontractors and their employees may not engage in severe forms of trafficking in persons during the term of the contract, procure a commercial sex act during the term of the contract, or use forced labor in the performance of the contract. The contractor must inform Lincoln and Placer County immediately of any information regarding a violation of the foregoing. The contractor must include this provision in its subcontracts for the work;

(s) The contractor will not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The contractor will not subcontract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35, Gov. Code 4477);

(t) The contractor certifies to the best of its knowledge and belief, that it and its principals:

(i) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(ii) Have not within a three year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(iii) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (ii) of this certification; and

(iv) Have not within a three year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Suspension and debarment information can be accessed at http://www.sam.gov. The contractor represents and warrants that it has or will include a term or conditions requiring compliance with this provision in all of its subcontracts under this contract. The contractor acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of this contract, or pursuance of legal remedies, including suspension and debarment;

(u) The contractor must comply with the following non-discrimination provisions:

(i) During the performance of this contract, the contractor and its subcontractors will not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.

(ii) The contractor and its subcontractors will insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(iii) The contractor and its subcontractors will comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this contract by reference and made a part hereof as if set forth in full.

(iv) The contractor and its subcontractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(v) The contractor will include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract;

(v) The contract is assigned by Lincoln to the County of Placer effective only upon written notice to both Lincoln and the contractor from County accepting such assignment, subject to the prior rights of the surety obligated under a bond relating to the contractor's work; and

(w) Lincoln may terminate the contract at its convenience upon at least seven days prior written notice.

4.3.6 Contractor Retention. In its construction contracts, Lincoln must provide that at least 5% of any progress payments to the contractor be retained until the contractual work reaches either substantial or final completion. Lincoln will be responsible for tracking retention withheld from its contractors and advising the County when any retained amounts should be paid to a contractor per Exhibit 6 and of the applicable amount. Retention from a contractor is solely a liability of Lincoln to the applicable contractor.

4.3.7 Contractor Warranty. For any construction contractor making improvements at the real property of the County, Lincoln will require in the contract that the County is an intended third party beneficiary of the warranty obligations of the contractor, which will include a 1 year period after substantial completion in which the contractor will correct at its cost any non-conforming or defective work performed under that contract.

4.3.8 Audit of Contractor Charges. For any CM or construction contracts or change orders being established on a cost-reimbursable basis subject to a guaranteed maximum price or not-to-exceed amount, Lincoln must have the right under that contract for the Independent Auditor to audit the contractor's charges to verify that they are payable under the contract.

4.3.9 Executed Contracts. Lincoln will promptly provide copies of executed design, consulting, CM or construction contracts for the Lincoln-County Project to the County.

4.3.10 Disputed Contractor Charges. For any CM or contractor work being paid on a cost-reimbursable basis (whether change order work or pursuant to a cost-plus-a-fee contract), Lincoln will timely dispute any contractor's charge to which the County reasonably objects upon valid contractual grounds. Any resolution of such a dispute requires the written approval of the Authorized Representatives of Lincoln and the County.

4.3.11 Preliminary Notices. Lincoln will promptly provide copies of all statutory preliminary notices to the County.

4.3.12 As-Builts. Lincoln will provide County with a complete set of the as-built drawings and other record documents pertaining to any improvements at the SMD 1 WWTP Site.

4.3.13 Terminating a Contractor. Prior to exercising any termination right under a CM or construction contract, Lincoln will consult with the County and obtain County's written approval to terminate the CM or contractor. Lincoln must expeditiously replace any terminated CM or contractor. For any replacement CM or contractor, at least ten days prior to publishing same, Lincoln will provide the bid package or request for proposals, including the proposed contract form, to the County for its review and approval together with Lincoln's proposed publication date. County will have the right, in its reasonable discretion, to require Lincoln to include specific obligations, including, without limit, any obligations required by the State Water Board, for the awardee in the contract documents for a particular scope of work or services, which right must be exercised by the County by written notice delivered to Lincoln at least 5 days prior to the proposed publication date. County will have the same rights to approve the contract award as under Section 4.3.3.

4.3.14 Differing Site Conditions. Lincoln has conducted significant due diligence on the site conditions connected with the various components of the Lincoln-County Project, and has factored into the Capital Charge both the cost for addressing site conditions and the risk that site conditions may vary from those observed. The Capital Charge will not be adjusted for additional Capital Costs resulting from Differing Site Conditions unless and until both the Capital Contingency and the Oversizing Contingency have been fully depleted by Capital Costs. For clarity, the Capital Contingency must be depleted before such costs are charged to the Oversizing Contingency, per Section 4.2.3 above. Lincoln will track all Capital Costs arising from Differing Site Conditions, provide updates to the County of the Capital Costs associated with Differing Site Conditions and their funding from the Capital Contingency or Oversizing Contingency in its monthly report, and provide specific written notification to the County at least ten days before Lincoln will incur Capital Costs due to Differing Site Conditions in an amount that will exceed the remaining balance of the Capital Contingency and Oversizing Contingency. Failure to timely provide such notice will waive Lincoln's right to claim an adjustment of the Capital Charge due to those Differing Site Conditions. Lincoln will promptly provide documentation requested by the County to show its calculation of the requested adjustment to the Capital Charge. If Lincoln requests an increase in the Capital Charge for Differing Site Conditions when allowed under this Agreement, the Parties will negotiate in good faith the amount of adjustment to the Capital Charge, which will be documented in a COJA Change Order signed by the Parties. If the Parties are not able to agree, the dispute will be resolved under Article 7.

4.3.15 Observation and Approval. Lincoln will provide the County and State Water Board staff with access to any part of the Lincoln-County Project under construction for observation at any time. Lincoln will timely provide draft traffic control plans from its contractors to County for review and approval prior to Lincoln's approval of such traffic control plans. Lincoln will give the County two business days notice prior to any acceptance testing or performance testing of the substantially completed construction of the SMD 1 export pump station or Lincoln WWTRF improvements so that County may have staff or consultants observe and participate. In addition, before Lincoln may finally accept the substantially completed construction work at the SMD 1 WWTP Site (including decommissioning of the existing SMD 1 facilities, construction of the emergency containment basin, and the new pump station), Lincoln must obtain County's approval of the substantially completed construction work on those project components and resolve County's punch list issues to County's satisfaction.

(a) Lincoln agrees to ensure that the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, the President of the United States, or any authorized representative of the foregoing, will have suitable and safe access to the Lincoln-County Project site at all reasonable times during construction and thereafter for so long as the County remains obligated to the State Water Board under the SRF financing for the Lincoln-County Project. Site visits by any of the foregoing will not constitute a delay or justify an extension of the Project Completion Dates. Lincoln acknowledges that, except for a subset of archeological records, the Lincoln-County Project records and locations are public records, including all of the documents for the SRF financing and all reports, disbursement requests, and supporting documentation submitted to the State Water Board.

4.3.16 Project Schedule. Lincoln agrees to achieve Treatment Substantial Completion by the Treatment Completion Date, Decommissioning Substantial Completion by the Decommissioning Completion Date, and Project Final Completion by the Project Final Completion Date. The Project Completion Dates are subject to extension for County Changes, which include County-responsible delays pursuant to the terms of Section 4.2.5(c), and for Force Majeure Events pursuant to the terms of Section 4.3.17. However, notwithstanding anything to the contrary in this Agreement, no extension of the Project Final Completion Date will be made unless approved by the State Water Board upon a showing of good cause. State Water Board approval of an extension of the Project Final Completion Date must be requested no later than 90 days prior to the Project Final Completion Date. Time is of the essence in completing construction of the Lincoln-County Project within the applicable Project Completion Dates and in commencing the Operations Period. The current anticipated Project Schedule with the different milestones is attached as Exhibit 4.

(a) At least monthly, Lincoln will update the Project Schedule and provide a copy to the County together with an explanation of any material deviations from the prior schedule update. The Project Schedule will be in a format approved by the County and coordinate all major components of the Lincoln-County Project, including Governmental Authority deadlines; permit, procurement, submittal, and long lead item schedules; construction work by trade; and projecting milestone Project Completion Dates consistent with this Agreement.

(b) Lincoln will notify the County within 5 days of any projected slippage in any Project Completion Date and its cause. Lincoln must submit a detailed recovery plan for evaluation and approval by the County within 2 weeks of the notice.

(c) Upon written notice by its Authorized Representative, County may require Lincoln to direct Lincoln's staff, consultants or contractors to work overtime, add manpower or resources and/or re-sequence the work to recover from Lincoln-County Project delays. Likewise, if the State Water Board fails to approve any requested extension of the Project Final Completion Date, Lincoln will be similarly required to accelerate the construction work so as to meet the current Project Final Completion Date. If the applicable Lincoln-County Project delay is qualified as a County Change under Section 4.2.5(c), then the incremental additional Capital Costs for overtime or re-sequenced work will increase the Capital Charge.

(d) If there is a disagreement among the Parties as to whether a delay is a County Change, the dispute will be resolved under Article 7 and the Parties will continue with their obligations under this Agreement without interruption unless both Parties agree to suspend all or a portion of the Lincoln-County Project pending dispute resolution.

4.3.17 Force Majeure Events. Upon occurrence of any Force Majeure Event, Lincoln will notify the County per Section 4.3.16. Upon approval of the State Water Board, the Project Completion Dates will be extended for the number of days of delay from which Lincoln cannot recover under Section 4.3.16(b) to the extent those delays are directly caused by that Force Majeure Event, and the Parties will document the time extension in a COJA Change Order. This extension of time is Lincoln's sole and exclusive remedy against the County with respect to a delay caused by a Force Majeure Event. However, if the entire Lincoln-County Project becomes impossible to complete as a result of a Force Majeure Event, then either Party may terminate this Agreement upon approval of such termination by the State Water Board. If there is a disagreement among the Parties as to whether a delay is a Force Majeure Event or whether a Force Majeure Event renders the entire Lincoln-County Project impossible to complete, the dispute will be resolved under Article 7 and the Parties will continue with their obligations under this Agreement without interruption unless both Parties agree to suspend all or a portion of the Lincoln-County Project pending completion of dispute resolution. If the State Water Board fails to approve an extension of the Project Completion Dates, then Lincoln will accelerate performance of the Lincoln-County Project per Section 4.3.16(c).

4.3.18 Project Sign. Lincoln will place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Lincoln-County Project site and will maintain the sign in good condition for the duration of the construction of the Lincoln-County Project. The content and location of the sign will be subject to the County's advance approval, and must include the following color logos (available from the State Water Board) and the following disclosure statement:

"Funding for this project has been provided in full or in part by the Clean Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

The Lincoln-County Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign must be prepared in a professional manner.

4.3.19 Demolition of Storage Building. Prior to the time shown on the Project Schedule for demolition of the storage building near the planned pump station at the SMD 1 WWTP Site, County will remove the contents of that storage building at County's expense. Should County fail to timely commence the removal of those contents, Lincoln will so notify County per Section 4.2.5(c) and if County fails to cure the delay, then Lincoln will be entitled to an equitable adjustment of the Project Completion Dates and Capital Charge per the terms of Section 4.2.5(c).

4.3.20 Cleaning of Existing Treatment Structures. Promptly after Treatment Substantial Completion, County will remove all waste from the existing treatment structures at the SMD 1 WWTP Site in compliance with applicable law. Lincoln acknowledges that such work will take approximately 6 weeks to complete, and Lincoln has accounted for this in the Project Schedule. County will require full access to applicable portions of the SMD 1 WWTP Site including the sludge press building for this work. Should County fail to timely commence or complete the removal of such waste from the existing treatment structures, Lincoln will so notify County per Section 4.2.5(c) and if County fails to cure the delay, then Lincoln will be entitled to an equitable adjustment of the Project Completion Dates and Capital Charge per the terms of Section 4.2.5(c).

4.3.21 Project Completion Report. Lincoln will submit a Project Completion Report in form required by the State Water Board to the County at least 5 days before the due date established by the State Water Board at the time of final inspection of the Lincoln-County Project, provided that County has notified Lincoln in writing at least 5 days before the due date. The "Project Completion Report" must address the following:

(a) describe the Lincoln-County Project,

(b) describe the water quality problem the Lincoln-County Project sought to address,

(c) discuss the Lincoln-County Project's likelihood of successfully addressing that water quality problem in the future, and

(d) summarize compliance with environmental conditions.

Failure of Lincoln to submit a timely Project Completion Report will be a Material Default, and could subject the County to delayed or disallowed disbursements of the SRF financing or administrative proceedings by the State Water Board, in which case Lincoln will bear the County's costs arising from failure to timely submit the Project Completion Report.

5. Operations Period

5.1 Administration.

5.1.1 Authorized Representatives. Unless the Parties have entered into a further agreement regarding governance of the Regional Facilities providing otherwise, each Party's Authorized Representative will have the authority to represent its Party and make decisions for that Party during the Operations Period, subject to Section 5.4.2.

5.1.2 Project Coordination Team. Unless the Parties have entered into a further agreement regarding governance of the Regional Facilities providing otherwise, the Parties will continue to work together during the Operations Period through the PCT as described in Section 4.1.2.

5.1.3 Lincoln Insurance Obligations. During the Operations Period, Lincoln must meet the insurance requirements set forth in Exhibit 7A. Failure to maintain the required insurance will be a Material Default by Lincoln, and if not timely cured will give County the right, at its election and in addition to any other remedies provided herein, to procure any required insurance on behalf of Lincoln at Lincoln's expense.

5.1.4 Operations Period Reports. In addition to any information to be reported under other provisions of this Agreement, Lincoln will provide the following reports to the County during the Operations Period, in the format approved by the Authorized Representatives:

(a) Quarterly: revenue from Reclaimed Water; the status of the Regional Facilities' compliance with regulatory requirements; total number of EDUs for all customers connected to the Lincoln WWTRF; number of EDUs for new customers connected to the Lincoln WWTRF during the previous quarter; total number of EDUs for all non-residential customers connected to the Lincoln WWTRF but not discharging to the system; current number of EDUs of unconnected but prepaid treatment capacity; how many EDUs of unused treatment capacity remain and breakdown of how the current unused treatment capacity has been allocated (e.g., reserved to County and first-come-first-served); status of any current R&R Projects, Expansion Projects, or other projects affecting the Regional Facilities; and

(b) Annual: general condition of the Regional Facilities' components and their projected remaining useful life; R&R Projects and Expansion Projects completed during the previous year; status of any current R&R Projects, Expansion Projects, or other projects affecting the Regional Facilities; R&R Projects and Expansion Projects anticipated in the coming year; total number of EDUs for all customers connected to the Lincoln WWTRF; number of EDUs for new customers connected to the Lincoln WWTRF during the previous year; total number of EDUs for all non-residential customers connected to the Lincoln WWTRF but not discharging to the system; current number of EDUs of unconnected but prepaid treatment capacity; how many EDUs of unused treatment capacity remain and breakdown of how the

current unused treatment capacity has been allocated (e.g., reserved to County and first-come-first-served); forecast for number of EDUs of additional customers anticipated to be connected to the Lincoln WWTRF in each of the next three years.

(c) Lincoln will provide all documentation and calculations reasonably requested by the County to evidence the information shown in Lincoln's Operations Period reports. County has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of Lincoln relating to the information shown in Lincoln's Operations Period reports.

5.1.5 Repair & Rehabilitation Projects Study. The R&R Study approved by the Parties is attached as Exhibit 9. The Parties will provide for the R&R Study to be updated at least every five years after the commencement of the Operations Period. Each of the Parties will provide needed input, assistance and information for purposes of updating the R&R Study, and any revision to the R&R Study requires the approval of each of the Authorized Representatives prior to being finalized. Each Party will bear its own staff costs in updating the R&R Study, but each Party will share the consultant costs for updating the R&R Study based on the ratio of each Party's Obligated EDUs to the total amount of Obligated EDUs of both Parties at that time.

5.1.6 Study of Future Expansion Projects. The Connection Fee Report approved by the Parties is attached as Exhibit 10. The Parties will provide for the Connection Fee Report to be updated at least every five years after the commencement of the Operations Period. Each of the Parties will provide needed input, assistance and information for purposes of updating the Connection Fee Report, and any revision to the Connection Fee Report requires the approval of each of the Authorized Representatives prior to being finalized. Each Party will bear its own staff costs in updating the Connection Fee Report, but County will be responsible for that portion of the consultant costs in updating the Connection Fee Report that are related to the conveyance facilities outside of Lincoln's boundaries and Lincoln will be responsible for the remaining consultant costs.

5.1.7 Continued Evaluation.

(a) For so long as this Agreement remains in effect, Lincoln will periodically examine the current condition of the Regional Facilities and the projected remaining useful life of its various components. When the current condition and projected remaining useful life indicate that a Regional Facilities' component is within three years of the end of its useful life and requires more than Routine Repair, Lincoln will so notify the County in writing. The Parties will then collaborate to plan for the applicable R&R Project per Section 5.3.2. Lincoln will perform this assessment at its cost at least annually and as needed based on current conditions. As part of this assessment, any changes to the schedule of R&R Projects in the R&R Study will be updated upon mutual written approval of the Authorized Representatives.

(b) For so long as this Agreement remains in effect, Lincoln will periodically examine the actual average dry weather flow of the Parties and the past and projected growth in flows. When average dry weather flow (including both current flows and projected growth) is expected to exceed the total capacity of the Regional Facilities within three years, Lincoln will so notify the County. The Parties will then collaborate to begin the process of planning for the expansion of the Regional Facilities' capacity per Section 5.3.14. Lincoln will perform this assessment at its cost at least annually and as needed based on current commitments and expected growth.

5.1.8 Project Certification. One year after Treatment Substantial Completion, Lincoln will certify to the County whether or not the Lincoln-County Project, as of that date, meets applicable design specifications and effluent limitations. If Lincoln cannot certify that the Lincoln-County Project meets such specifications and limitations at that time, then Lincoln will submit a corrective action report to the County. The corrective action report will include an estimate of the nature, scope, and cost of the corrective action, and a time schedule to expeditiously make all needed corrections, at Lincoln's expense, to allow affirmative certification for the Lincoln-County Project. Failure to submit an affirmative certification or a corrective action report that meets the above requirements and is satisfactory to the County within 14 months of the date of Treatment Substantial Completion will be a Material Default by Lincoln.

5.1.9 Uniform Method of Assigning EDUs. The Parties agree to use the methodology shown in Exhibit 18 in assigning number of EDUs to various kinds of connections to the Regional Facilities.

5.2 Finance.

5.2.1 Operations Charge. After commencement of the Operations Period, County will pay the Operations Charge to Lincoln on the terms of this Agreement. Subject to Section 5.2.1(b), the Operations Charge is initially calculated on a base year of 2011 at a base cost of $24 per month for each EDU of the County's customers connected to the Regional Facilities. The Operations Charge is adjusted annually on December 31 to reflect changes from the base cost based on an index of total operations costs of comparable facilities, as detailed in Section 5.2.1(a) below. Lincoln represents and warrants that the Operations Charge, in conjunction with the operations and maintenances fees charged to all Lincoln's customers, is adequate to cover Lincoln's reasonable costs of operating the Regional Facilities.

(a) During the Operations Period, on each December 31 the Operations Charge will be adjusted on a percentage basis based on the average percentage change in the total annual operations costs of the following wastewater treatment facilities when compared against the prior year[*]: the City of Roseville's Pleasant Grove wastewater treatment facility, El Dorado Irrigation District's wastewater treatment facility, the City of Placerville's Hangtown Creek water reclamation facility, the City of Grass Valley's wastewater treatment facility, and the City of Willows' wastewater treatment facility. In computing the average percentage change in the total annual operations costs of the foregoing wastewater treatment facilities, the facility having the largest percentage change in total annual operations costs and the facility having the smallest percentage change in total annual operations costs will both be excluded from the calculation of the average percentage change.

(b) As of October 1, 2013, County has 163 EDUs of non-residential customers that are connected to the SMD 1 system but not discharging to it. As to County's connected non-residential customers that do not discharge to the Regional Facilities, the parties agree that County is not obligated to pay the Operations Charge for such non-residential customers until such time that they begin discharging to the Regional Facilities. County will promptly notify Lincoln in writing upon County's discovery of any such non-residential customer discharging to the Regional Facilities, and will report quarterly to City the known status of such non-residential customers as to whether they are discharging to the Regional Facilities.

[*] For the adjustment in the first year of the Operations Period, the average percentage change will be calculated in comparison to the 2011 base year.

(c) By February 1 of each calendar year of the Operations Period, Lincoln will provide County with reasonable documentation of Lincoln's operating costs (including Routine Repair costs) incurred for the Regional Facilities. On March 1 of every year of the Operations Period, the formula below will be applied to the prior three years of data, except for the first three years of the Operations Period when three years of data is not available, in which case the formula will be applied to the data available for those preceding years. If the formula below results in a credit to County, Lincoln will deposit the amount of such credit in a special account designated for paying County's share of R&R Projects that are not Routine Repair as determined under Section 5.2.3. Any dispute regarding such determination will be resolved per Article 7. If this Agreement is terminated according to its terms, then Lincoln will promptly pay to County any remaining balance in such special account.

Formula

Data Inputs

A =	Lincoln's incurred treatment costs during calendar year
B =	Lincoln's incurred conveyance costs for Regional Facilities during calendar year
X =	EDUs of Lincoln connected customers at end of calendar year
Y =	EDUs of County's connected and discharging customers at end of calendar year
Z =	Operations Charge per EDU for 12 months of that calendar year

For each year, first calculate the Conveyance Cost per EDU and the Treatment Cost per EDU to arrive at Operations Cost per EDU as follows:

Conveyance Cost per EDU =	B/Y
Treatment Cost per EDU =	A/(X+Y)
Operations Cost per EDU =	Conveyance Cost per EDU + Treatment Cost per EDU

Next, for each year calculate the Per EDU Difference and the Annual Aggregate Differential, as follows:

Per EDU Difference =	Z - [Operations Cost per EDU]
Annual Aggregate Differential =	[Per EDU Difference] x Y

Finally, calculate the County's credit as follows:

County Credit =	Add each of the 3 years' Annual Aggregate Differential together and divide sum by 3. If a positive value, then the resulting value is credited to County.

Example

Year 1

A =	$5,300,000	
B =	$350,000	
X =	18848	
Y =	8094	
Z =	$ 294.60	($24.55 x 12 months)
Conveyance Cost per EDU =	$43.24	

Treatment Cost per EDU=	$196.72	
Operations Cost per EDU =	$239.96	
Per EDU Difference =	$54.64	
Annual Aggregate Differential =	$442,249.80	
Year 2		
A =	$7,200,000	
B =	$357,000	
X =	19225	
Y =	8256	
Z =	$300.48	($25.04 x 12 months)
Conveyance Cost per EDU =	$43.24	
Treatment Cost per EDU=	$262.00	
Operations Cost per EDU =	$305.24	
Per EDU Difference =	$(4.76)	
Annual Aggregate Differential =	($39,302.51)	
Year 3		
A =	$7,015,000	
B =	$364,140	
X =	19686	
Y =	8454	
Z =	$307.68	($25.64 x 12 months)
Conveyance Cost per EDU =	$43.07	
Treatment Cost per EDU=	$249.29	
Operations Cost per EDU =	$292.36	
Per EDU Difference =	$15.32	
Annual Aggregate Differential =	$129,495.25	
County Credit	$177,480.85	

5.2.2 Payment of Operations Charge. Lincoln will send the County an invoice for the Operations Charge quarterly, with payment due within 30 days after the later of the last calendar day of that quarter or receipt of Lincoln's invoice. However, during any period in which there is an uncured Material Default by Lincoln after notice pursuant to Section 6.5, the County may withhold payment of its Operations Charge until such time that Lincoln has cured the Material Default.

5.2.3 Funding Repair & Rehabilitation Projects.

(a) Each Party has developed a plan for funding its obligation to pay for R&R Projects and each plan is hereby approved by the other Party. The County's plan is

attached as Exhibit 11 and Lincoln's plan is attached as Exhibit 12. A Party may change its funding plan for the R&R Projects with the advance written approval of the other Party's Authorized Representative.

(b) Without limiting Section 5.3.2, each Party is solely responsible for paying its own share of the cost of R&R Projects, as follows:

(i) the cost of Routine Repair is Lincoln's sole obligation and covered by the Operations Charge;

(ii) to the extent that (i) does not apply, then each Party shares the cost of the R&R Projects as follows:

(1) for any R&R Project involving a Lincoln WWTRF component shown as an existing Lincoln WWTRF component on the schedule of project components in the R&R Study up until the point prior to the complete replacement (or, if mutually approved by the Authorized Representatives, a major refurbishment) of such component, the allocation is based on "Formula A" below:

Formula A		
X	=	Cost of R&R Project
A	=	Lincoln number of Committed EDUs at time of R&R Project
B	=	County number of Committed EDUs at time of R&R Project
Y	=	Project Year in the format 1999, for example
Lincoln share of R&R Project costs	=	X*(11/(Y-2004) + (Y-2015)/(Y-2004)*A/(A+B))
County share of R&R Project costs	=	X*((Y-2015)/(Y-2004)*B/(A+B))
Example – cost sharing for R&R Project for repairing wall pump for existing oxidation ditch for $100,000 in year 2024		
X	=	$100,000
A	=	20,000 Committed EDUs
B	=	8,000 Committed EDUs
Y	=	2024
Lincoln share of R&R Project costs	=	$87,143
County share of R&R Project costs	=	$12,857
Total	=	$100,000

(2) for any R&R Project involving a Lincoln WWTRF component shown as a new Lincoln WWTRF component on the schedule of project components in the R&R Study, the allocation is based on "Formula B" below:

Formula B		
X	=	Cost of R&R Project
A	=	Lincoln number of Committed EDUs at time of R&R Project
B	=	County number of Committed EDUs at time of R&R Project
Lincoln share of R&R Project costs	=	X*A/(A+B)
County share of R&R Project costs	=	X*B/(A+B)
Example – cost sharing for R&R Project for repairing wall pump of new oxidation ditch 3 for $100,000 in year 2024		
X	=	$100,000
A	=	20,000 Committed EDUs
B	=	8,000 Committed EDUs
Lincoln share of R&R Project costs	=	$71,429
County share of R&R Project costs	=	$28,571
Total	=	$100,000

(3) for any R&R Project on a Lincoln WWTRF component from and after the point such component is completely replaced (or, if mutually approved by the Authorized Representatives, undergoes a major refurbishment), the allocation is based on "Formula B" above; and

(4) for any R&R Project in the Regional Facilities outside the Lincoln WWTRF, the allocation is based on "Formula C" below:

Formula C		
X	=	Cost of R&R Project
A	=	Lincoln number of Committed EDUs at time of R&R Project that are directly affected by that R&R Project
B	=	County number of Committed EDUs at time of R&R Project that are directly affected by that R&R Project
Lincoln share of R&R Project costs	=	X*A/(A+B)
County share of R&R Project costs	=	X*B/(A+B)
Example – cost sharing for a $100,000 R&R Project for repairing pipe that serves 70% of Lincoln's Committed EDUs and 100% of County's Committed EDUs		
X	=	$100,000
A	=	14,000 Committed EDUs directly affected by R&R Project
B	=	8,000 Committed EDUs directly affected by R&R Project
Lincoln share of R&R Project costs	=	$63,636
County share of R&R Project costs	=	$36,364
Total	=	$100,000

(c) For any amount owed by County for R&R Projects, to the extent that County has any remaining balance in the special account provided in Section 5.2.1(c), County may elect to apply such balance in full or partial satisfaction of the amount due in lieu of paying such funds to Lincoln.

5.2.4 Connection Fees. Each Party is solely responsible for establishing and collecting its own connection fees for its customers connecting to the Regional Facilities. County's connection fees will include at least the amount of the Regional Sewer Treatment Connection Fee and Regional Sewer Conveyance Connection Fee as set forth in the Connection Fee Report.

5.3 Initial Operations & Maintenance Period.

5.3.1 Operations and Maintenance. Subject to the provisions of this Agreement, Lincoln has the sole responsibility to operate and maintain the Regional Facilities (including the emergency storage basin at the SMD 1 WWTP Site) during the Operations

Period, including compliance with regulatory and permit requirements. Lincoln agrees to sufficiently and properly staff, operate and maintain all portions of the Regional Facilities during its useful life in accordance with all applicable state and federal laws, rules and regulations and consistent with industry standards as applicable to the design of the Regional Facilities. Unless otherwise agreed in a future agreement, Lincoln will own the components of the Regional Facilities during the Operations Period, though the County will continue to own all real property associated with the Project that it owns at the time of this Agreement. All costs associated with the operations and maintenance of the Regional Facilities during the Operations Period, including without limitation treating influent, disposal of waste and reclaimed water, Routine Repair, costs of any replacement water to public waterways impacted by the cessation of discharge from the SMD 1 facility that is required by regulatory agencies beyond 0.5 cubic feet per second, payments due to contractors and suppliers, legal costs, insurance costs, costs of permits and approvals, and costs of Lincoln's own staff are Lincoln's sole responsibility and covered by the Operations Charge. In addition to the Operations Charge, the County will reimburse Lincoln for Lincoln's actual costs of replacement water to public waterways impacted by the cessation of discharge from the SMD 1 facility that is required by regulatory agencies in an amount of up to 0.5 cubic feet per second for a period not to exceed 10 years. Reimbursement of said costs does not place the responsibility to secure replacement water on the County, and Lincoln is solely responsible to provide adequate replacement water in accordance with all mitigation measures and regulatory agency requirements. Each Party will establish its own user fee amounts for wastewater treatment.

(a) Within five years of Treatment Substantial Completion, County will develop, implement and complete a project to preserve or restore stream habitat within the Coon Creek Watershed at County's cost. County will perform this obligation so as to satisfy condition #1 in the Conditional Dismissal of Protest of Change Petition for Wastewater Discharge Permit 0071 (WW0071) Filed by the City of Lincoln in Placer County, letter dated August 16, 2013 from Tina Bartlett of the California Department of Fish and Wildlife to Mark Miller of the City of Lincoln (attached as Exhibit 17). The remaining obligations in the letter attached as Exhibit 17 are the sole obligation of Lincoln. County will consult with Lincoln and the California Department of Fish and Wildlife in the development and implementation of the stream habitat restoration or preservation plan. Should County fail to perform the obligation of this Section 5.3.1(a), County will be solely responsible for any costs imposed on either County or Lincoln that directly result from such failure to perform, including any resulting regulatory actions by the Department of Fish and Wildlife.

5.3.2 Repair & Rehabilitation Projects.

(a) Subject to the provisions of this Agreement, Lincoln has the sole responsibility to perform any R&R Projects, including without limitation all design, permitting, construction management, bidding, contracting, environmental review and mitigation, and contractor claims resolution. Either Party may notify the other of the need for a R&R Project, upon which the Parties will collaborate to plan for the necessary R&R Project(s). Lincoln must obtain County's approval of any R&R Project that either (i) is not described in the R&R Study, (ii) will exceed the estimated cost for such project in the R&R Study, or (iii) is needed prior to the time for such project shown in the R&R Study.

(b) Within 30 days of receipt of Lincoln's separate invoice, the County will reimburse Lincoln for the undisputed amount of County's share of Lincoln's incurred costs for R&R Projects as determined per Section 5.2.3, though costs that are specifically excluded under the definition of "Capital Costs" in Article 1 are not reimbursable by County for R&R

Projects. Any disputes regarding reimbursement will be resolved per Article 7. The costs of R&R Projects that are not Routine Repair are not covered by the Operations Charge.

(c) If Lincoln fails to undertake a R&R Project by the time shown in the R&R Study for that component of the Regional Facilities or if the County identifies a needed R&R Project, provided that in either case the actual condition of the applicable component of the Regional Facilities at that time would justify a R&R Project, then County may notify Lincoln in writing of the need to commence the applicable R&R Project(s). If within ten days of the notice Lincoln fails to either (i) commence dispute resolution proceedings regarding the need for that R&R Project per Article 7 or (ii) give reasonable assurances to the County that Lincoln will timely perform the needed R&R Project, or if Lincoln fails to diligently prosecute the R&R Project to completion after giving assurances to the County or commencing the R&R Project, then Lincoln will be in Material Default, and, without limiting any other remedy, upon the County giving seven days further written notice to Lincoln, the County may perform the applicable R&R Project(s) on the following terms:

(i) By an irrevocable license, the County may take possession of Lincoln's real and personal property interests in the Regional Facilities as reasonably necessary to perform the R&R Project(s), with the County surrendering possession at such time as County has completed the R&R Project.

(ii) The County may exercise its rights under Sections 5.3.5(f) and 5.3.6(i) and take by assignment those of Lincoln's contracts with designers or contractors for the R&R Project(s) as elected by County.

(iii) The County may complete the applicable R&R Project(s) by whatever reasonable methods County may deem expedient.

(iv) The County's costs incurred per Section 5.3.2(c) (including any costs paid by County to a contractor or surety to cure any default by Lincoln under its contracts for the R&R Project(s)) will be charged to Lincoln as follows:

(1) the incremental amount of County's costs exceeding the estimate for that R&R Project in the R&R Study will be allocated wholly to Lincoln; and

(2) the remaining amount of County's costs for the R&R Project will be allocated between the County and Lincoln as provided in Section 5.2.3(b).

(3) County will notify Lincoln in writing of the costs to be charged to Lincoln under this Section 5.3.2, including reasonable back-up documentation of such costs. County will also provide all documentation reasonably requested by Lincoln to evidence such costs, and Lincoln has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of County relating to those costs. Lincoln will pay the amounts due from it to the County within 30 days of County's notice under this paragraph. Past due amounts will bear interest from the due date.

(4) The County may offset any part of the costs allocated to Lincoln per this Section 5.3.2 and unpaid against any amounts due from County to Lincoln under this Agreement or applicable law.

(d) If Lincoln has complied with this Agreement in undertaking and diligently prosecuting a necessary R&R Project, and County has either failed to participate in the dispute resolution process of Article 7 regarding any disagreements or failure to act relating to that R&R Project, or if, after the conclusion of any related mediation under Section 7.6, County unreasonably withholds its approval of that R&R Project as determined by a court of competent jurisdiction per Section 8.20, then:

(i) Section 5.3.2(c) will not apply;

(ii) County will be in Material Default; and

(iii) Lincoln may undertake the applicable R&R Project, with County's share of the costs for that R&R Project under this Agreement bearing interest from the date payment is past due.

(e) Also, if Lincoln has complied with this Agreement in undertaking and diligently prosecuting an approved R&R Project and County fails to reimburse Lincoln for County's share of the costs of that R&R Project per this Agreement, then if not resolved under Article 7, County will be in Material Default and County's share of the costs for that R&R Project under this Agreement will bear interest from the date payment is past due.

(f) In the event of any damage to or destruction of the Regional Facilities caused by the perils covered by property insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Regional Facilities. Lincoln must begin such reconstruction, repair or replacement as expeditiously as possible, and the Party insuring that portion of the Regional Facilities must pay out of the net insurance proceeds all Lincoln's costs and expenses in connection with such reconstruction, repair or replacement so that the same will be completed and the Regional Facilities will be free and clear of all claims and liens. If such net proceeds are insufficient to enable Lincoln to pay for the reconstruction, repair or replacement, then the Parties will each provide additional funds to restore or replace the damaged portions of the Regional Facilities on the same basis as under Section 5.2.3, though costs that are specifically excluded under the definition of "Capital Costs" in Article 1 are not reimbursable by the County.

5.3.3 Requests for Bids or Proposals. At least 30 days prior to publishing same, Lincoln will provide the bid package or request for proposals, including the proposed contract form, for each contract proposed for the operation, maintenance or repair of the Regional Facilities to the County for review and approval together with Lincoln's proposed publication date. Lincoln will consult with the County in determining the specific obligations for the awardee in the contract documents for a particular scope of work or services.

5.3.4 Approval of O&M Contracts. Any contract that relates to the operation, maintenance or repair of the Regional Facilities must be permitted under Section 4.2.9. For any such contract not already entered by Lincoln prior to effective date of this Agreement that has a value in excess of $100,000, the Authorized Representative of the County must approve the contract value or price prior to Lincoln executing such contract and with at least ten days advance notice from Lincoln of the proposed contract value or price, such approval not to be unreasonably withheld. The Authorized Representative of the County must approve any contract amendment increasing the contract value, price or term of any operation, maintenance or repair contract for the Regional Facilities by more than $100,000 after receiving at least ten

days advance notice from Lincoln of the proposed contract amendment, such approval not to be unreasonably withheld.

5.3.5 Required Design Contract Provisions. In any design contract for a R&R Project, Lincoln must include the following provisions, with any deviations (other than changes to conform to contract references or contract-defined words or phrases) in a particular contract specifically approved in writing by the County:

(a) the County of Placer will be an intended third party beneficiary of the contract;

(b) the design firm or consultant will defend and indemnify the County of Placer to the same extent that it defends and indemnifies Lincoln;

(c) the design firm or consultant will carry insurance meeting at least the requirements set forth in Exhibit 7C;

(d) the design firm or consultant agrees to look solely to Lincoln and not to the County of Placer for payment under that contract;

(e) the design firm or consultant will waive and release all claims against the County of Placer arising out of the contract or the project that are not caused by the active negligence of the County;

(f) the contract is assigned by Lincoln to the County of Placer effective only upon written notice to both Lincoln and the design firm or consultant from County accepting such assignment; and

(g) Lincoln may terminate the contract at its convenience upon at least seven days prior written notice.

5.3.6 Required Contractor Contract Provisions. In its contracts with any operations, maintenance or R&R Project contractors for the Regional Facilities, Lincoln must include the following provisions, with any deviations (other than changes to conform to contract-defined words or phrases) in a particular contract specifically approved in writing by the County:

(a) To the fullest extent permitted by law, the contractor will defend, indemnify and hold Lincoln, the County of Placer and their respective officers, directors, members, employees and affiliates ("Owner Indemnitees") harmless from any and all claims, losses, damages, liabilities and expenses (including legal, expert witness and consulting fees and costs) arising out of, or resulting from, the acts or omissions, in whole or in part (including breach of contract), of the contractor, its subcontractors and their respective officers, directors, partners, agents, employees or anyone for whom they may be liable. Notwithstanding the above, the contractor will not be required to defend, indemnify and hold harmless an Owner Indemnitee for the indemnitee's own active negligence, sole negligence or willful misconduct, provided that the contractor will continue to indemnify and defend the indemnitee to the extent and in proportion to the degree that the indemnitee is not actively negligent. The indemnification obligations set forth in this paragraph will not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the contractor under insurance policies, workers compensation laws, disability benefit laws or other employee benefit laws.

(b) The contractor will defend, indemnify, and hold Lincoln and the County of Placer harmless from any and all claims, stop payment notices, or connected legal proceedings filed by the contractor or its subcontractors, suppliers, or other persons or entities claiming by or through the contractor by reason of having provided labor, materials, and equipment relating to the project;

(c) The contractor will carry insurance meeting at least the requirements set forth in Exhibit 7B;

(d) The contractor agrees to look solely to Lincoln and not to the County for payment under that contract;

(e) Statutory preliminary notices and any stop payment notices must be sent to Lincoln, not to the County of Placer;

(f) The contractor waives and releases all claims against the County of Placer arising out of the contract or the project that are not caused by the active negligence of the County;

(g) The contractor must comply with all prevailing wage requirements and require its subcontractors to so comply;

(h) The contractor must retain all relevant documentation, including without limitation any books, documents, papers and records for the purpose of making audits, examination, excerpts and transcriptions, and allow access to same by Lincoln, the County, or other designated representatives. The contractor must maintain all required records for three years after final payment is made and all other pending matters are closed. The contractor also must require its subcontractors to comply with these documentation requirements;

(i) The contract is assigned by Lincoln to County effective only upon written notice to both Lincoln and the contractor from County accepting such assignment; and

(j) Lincoln may terminate the contract at its convenience upon at least seven days prior written notice.

5.3.7 Executed Contracts. Lincoln will promptly provide copies of executed operation, maintenance or R&R Project contracts for the Regional Facilities to the County.

5.3.8 Emergency Notification. Lincoln will promptly notify the County of material problems in the operation of the Regional Facilities affecting the County and will immediately notify the designated representatives of the County of any emergency situation affecting the Regional Facilities components or the provision of wastewater treatment to the County.

5.3.9 Monitoring Wastewater.

(a) The Regional Facilities have been designed to continually measure the wastewater flow coming into the Regional Facilities at the point of connection with the County and at the point of entry into the Lincoln WWTRF, and to report flow data to each of the Parties. Lincoln will construct and maintain the Lincoln-County Project and Regional Facilities so that the designed systems for measuring flow accurately and continually provide

data to the Parties on the volume of influent entering the Regional Facilities at the County's point of connection and at the point of entry into the Lincoln WWTRF.

(b) Promptly after Treatment Substantial Completion, Lincoln will engage an Independent Monitor approved by the County under a contract approved by the County. The Independent Monitor will monitor the amount of wastewater flow of the Parties, level of biological load of the wastewater coming into the Regional Facilities at both the point of connection with the County and at the point of entry into the Lincoln WWTRF, and the volume of Reclaimed Water. The Independent Monitor will also assess whether the flow data reported from the Regional Facilities' systems is accurate and make recommendations to the Parties for any needed adjustments to the measurement systems. Both Parties will allow the Independent Monitor access to the Regional Facilities for purposes of fulfilling its role. The Independent Monitor will evaluate the wastewater flow, biological load, and volume of Reclaimed Water as frequently as the PCT may determine, but no less than quarterly. After each evaluation, the Independent Monitor will issue reports on its findings, in a format approved by the PCT, to both Parties. Any replacement Independent Monitor must be approved by the County under a contract approved by the County. The cost of the Independent Monitor will be borne by Lincoln and is covered by the Operations Charge.

5.3.10 Wastewater "As Is". Except as qualified in this Section 5.3.10, the County will not be required to pre-treat its wastewater covered by this Agreement, which Lincoln will accept "as is" for treatment. The County will remain responsible for enforcing compliance by County's customers with applicable laws, regulations or permits related only to wastewater collection and conveyance to the point of connection to the Regional Facilities. However, for the duration of the Operations Period, County assigns to Lincoln any and all rights the County has to require County's customers to comply with applicable law, regulation or permit related to wastewater conveyance and treatment from and after the point of connection to the Regional Facilities. The County and Lincoln will cooperate and coordinate efforts to provide for the appropriate inspections, monitoring and enforcement of County customers' wastewater. For at least the first five years of the Operations Period, there will be no adjustment of the Operations Charge based on differing levels of biological load in the wastewater coming into the Regional Facilities for treatment. After the first five years of the Operations Period, the Parties will evaluate the biological load of the County's wastewater in comparison with the biological load of Lincoln's wastewater to determine whether any adjustment of the Operations Charge is appropriate and mutually acceptable.

5.3.11 Initial Capacity Allocation. After Treatment Substantial Completion, the County will be entitled to use the amount of the Initial County Capacity of the Regional Facilities for wastewater treatment and disposal.

5.3.12 Guarantee of Capacity. Lincoln guarantees that, starting upon Treatment Substantial Completion, the County will be able to use the full amount of conveyance and treatment capacity to which the County is entitled under this Agreement from its point of connection to the Regional Facilities to the completion of wastewater treatment at the Lincoln WWTRF for the entire Operations Period.

5.3.13 Claiming Uncommitted Treatment Capacity.

(a) After Treatment Substantial Completion, the Regional Facilities will have approximately 1.4 MGD of unused treatment capacity, of which 0.762 MGD is committed to Lincoln with the uncommitted balance of 0.638 MGD being available for future

use. For a period of one year from Treatment Substantial Completion, Lincoln will reserve an additional 0.4 MGD average dry weather flow of capacity from the existing uncommitted treatment capacity at the Regional Facilities beyond the Initial County Capacity for County purchase. County may claim any part of this reserved additional capacity in one or more instances during the period by notifying Lincoln in writing of the amount requested and paying Lincoln the Regional Sewer Oversizing Connection Fee and the Regional Sewer Treatment Connection Fee, after which Lincoln will immediately make available and reserve the additional capacity exclusively to County.

(b) For the remaining uncommitted capacity of the Regional Facilities, Lincoln will allow County to claim any part of that uncommitted capacity on a first-come, first-served basis with Lincoln's other customers. The County may claim a requested amount of uncommitted capacity in excess of 0.01 MGD (526 EDUs) at the Regional Facilities by notifying Lincoln in writing. If there is insufficient available capacity for the County's request, Lincoln will notify the County in writing of how much capacity, if any, is available, which the County may accept in writing. The County will then pay Lincoln the Regional Sewer Oversizing Connection Fee and the Regional Sewer Treatment Connection Fee, after which Lincoln will immediately make available and reserve that amount of additional capacity exclusively to the County. For use of uncommitted capacity less than 0.01 MGD, County may pay Lincoln the Regional Sewer Oversizing Connection Fee and the Regional Sewer Treatment Connection Fee for those EDUs without advance notice of request, after which Lincoln will immediately make available and reserve that amount of additional capacity exclusively to the County.

5.3.14 Expanding Capacity of Regional Facilities.

(a) When either or both of the Parties determine that an Expansion Project is required, the Parties will collaborate to begin the process of planning for the necessary Expansion Project(s) and determining roles, responsibilities, and appropriate connection fees and sewer rate increases.

(b) For Expansion Projects that increase the treatment capacity and/or conveyance capacity of both Parties, both Parties will share the project costs based on the ratio of each Party's additional treatment capacity to the total amount of additional treatment capacity, measured in EDUs, with each Party solely bearing the cost of any increase to its conveyance capacity. The specific roles and responsibilities of the Parties for any Expansion Project increasing the treatment capacity and/or conveyance capacity of both Parties will be addressed in a future agreement.

(c) For an Expansion Project that only increases the treatment capacity and/or conveyance capacity of Lincoln, Lincoln will undertake that Expansion Project and Lincoln alone will bear all the project costs.

(d) Lincoln agrees to undertake any Expansion Project requested by the County for the expansion of the County's treatment and/or conveyance capacity, and the County agrees to reimburse Lincoln's incurred costs for that project that are allocable to the expansion of the County's treatment and/or conveyance capacity no later than 180 days of Lincoln's written request. The specific roles and responsibilities of the Parties, including payment provisions, for any Expansion Project increasing the treatment and/or conveyance capacity of the County will be addressed in a future agreement between the Parties.

(e) Provided that the County has proposed agreement terms that are commercially reasonable and presented in good faith, if Lincoln fails to undertake an Expansion Project requested by the County and enter into an agreement with the County for that Expansion Project within four months of the County's request for the Expansion Project, then upon the County giving seven days further written notice to Lincoln the County may perform the applicable Expansion Project on the following terms:

(i) By an irrevocable license, the County may take possession of Lincoln's real and personal property interests in the Regional Facilities as reasonably necessary to perform the applicable Expansion Project, with the County surrendering possession at such time as County has completed the Expansion Project.

(ii) The County may complete the applicable Expansion Project by whatever reasonable methods the County may deem expedient at the County's sole cost. The County will promptly cause to be repaired any damage to the Regional Facilities (including the Lincoln WWTRF) to the extent caused by its construction work. The County will also indemnify and hold Lincoln harmless from and against any and all third-party claims, losses, damages, liabilities and expenses to the extent caused by or resulting from County's construction work for the Expansion Project, except to the extent of the active negligence or willful misconduct of Lincoln or those for whom it is responsible.

(iii) Any reasonable legal costs incurred by the County or Lincoln in connection with and/or in enforcing this Section 5.3.14(e) will recoverable by the prevailing party in the action. The County may offset any part of those costs against any amounts due from County to Lincoln under this Agreement or applicable law.

(f) Additional treatment and/or conveyance capacity built for the County is reserved to the County exclusively for its sole use in connecting its customers.

5.3.15 Regulatory Requirements.

(a) If a Regulatory Change or Regulatory Infraction increases Lincoln's costs of operating the Regional Facilities during the Operations Period to an extent not sufficiently addressed by the adjustments of the Operations Charge allowed under Section 5.2.1(a), then each of the Parties will bear a pro rata share of those increases in cost based on the ratio of each Party's Obligated EDUs to the total amount of Obligated EDUs of both Parties at that time. Lincoln will notify the County of the increased costs described above and the causes of them, including as back-up a breakdown of the additional operating costs. Lincoln will provide all documentation and calculations reasonably requested by the County to justify the determination of the increased operating costs, and the County has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of Lincoln relating to the increased costs. If the Authorized Representatives of the Parties are unable to agree on the amount of the increased operating costs to be shared by the County, the amounts will be resolved by the dispute resolution procedures of Article 7, and the decision-makers will be charged with determining the most accurate amount of the increased costs described above and each Party's pro rata share of those costs.

(b) If a Regulatory Change will require additional capital expenditures to change the Regional Facilities infrastructure to comply with applicable law, Lincoln will notify the County of the situation and the Parties will then collaborate to plan for the necessary capital project(s) to bring the Regional Facilities into regulatory compliance and determining roles,

responsibilities, and appropriate connection fees and sewer rate increases. Both Parties will share the project costs for such capital projects based on the ratio of each Party's Obligated EDUs to the total amount of Obligated EDUs of both Parties. The specific roles and responsibilities of the Parties for any future capital projects needed to bring the Regional Facilities into regulatory compliance will be addressed in a future agreement between the Parties.

(c) Subject to Section 5.3.15(d), if Lincoln fails to undertake a capital project necessitated by a Regulatory Change and enter into an agreement with the County for that project within six months of the date on which the upcoming Regulatory Change was first announced by the applicable governmental authority, then Lincoln will be in Material Default, and, without limiting any other remedy, upon the County giving seven days further written notice to Lincoln the County may perform the applicable capital project on the following terms:

(i) By an irrevocable license, the County may take possession of Lincoln's real and personal property interests in the Regional Facilities as reasonably necessary to perform such capital project, with County surrendering possession at such time as County has completed such capital project.

(ii) The County may complete such capital project by whatever reasonable methods the County may deem expedient.

(iii) The County's costs incurred per Section 5.3.15(c) will be charged to Lincoln as follows:

(1) Any legal costs incurred by the County in enforcing this Section 5.3.15 will be Lincoln's sole responsibility;

(2) the remaining amount of County's costs for the capital project will be allocated between the County and Lincoln based on the ratio of each Party's Obligated EDUs to the total amount of Obligated EDUs of both Parties.

(3) County will notify Lincoln in writing of the costs to be charged to Lincoln under this Section 5.3.15(c), including reasonable back-up documentation of such costs. County will also provide all documentation reasonably requested by Lincoln to evidence such costs, and Lincoln has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of County relating to those costs. Lincoln will pay the amounts due from it to the County within 30 days of County's notice under this paragraph. Past due amounts will bear interest.

(iv) The County may offset any part of the costs allocated to Lincoln per this Section 5.3.15 and unpaid against any amounts due from County to Lincoln under this Agreement or applicable law.

(d) If County has failed to participate in the dispute resolution process of Article 7 regarding any disagreements or failure to act relating to the capital project or the proposed agreement for that project, or if, after the conclusion of any mediation under Section 7.6, County unreasonably withholds its approval of the capital project as determined by a court of competent jurisdiction per Section 8.20, then:

(i) Section 5.3.15(c) will not apply;

(ii) County will be in Material Default; and

(iii) Lincoln may undertake the applicable capital project, with County's share of the costs for that capital project under this Agreement bearing interest from the date payment is past due.

5.3.16 Joint Debt Issuance Policy. The Parties have developed a joint debt issuance policy to govern how the Parties would pursue any joint debt financing of R&R Projects, Expansion Projects or capital projects necessary due to a Regulatory Change, including the types of approved debt mechanisms, the agreed level of risk for using a particular debt mechanism, and the roles and responsibilities of the Parties in arranging joint debt financing. The final joint debt issuance policy approved by the Parties is attached as Exhibit 13. A failure by a Party to follow the approved joint debt issuance policy in incurring joint debt for a R&R Project, Expansion Project or capital project necessary due to a Regulatory Change is a Material Default. Changes to the joint debt issuance policy require the approval of both Parties' Authorized Representatives.

5.3.17 Reclaimed Water.

(a) Each Party is allocated a share of the Reclaimed Water equal to its Proportionate Flow in that quarter.

(b) Each Party has the right to dispose of its share of Reclaimed Water in accordance with applicable law as it sees fit.

(c) During the Operations Period, Lincoln will dispose of all Reclaimed Water at its own expense (covered by the Operations Charge) in accordance with applicable law, unless the County elects to make alternative arrangements for disposing of its share of Reclaimed Water by written notice to Lincoln. If the County does not make alternative arrangements and Lincoln is able to sell any part of the County's share of Reclaimed Water, Lincoln will keep all the revenue.

(d) Lincoln will report the total volume of Reclaimed Water generated by the Regional Facilities to the County on a monthly basis. The actual volume of Reclaimed Water will be used for calculating revenues under this Section 5.3.17, provided that the County may challenge the accuracy of the flow data being reported by Lincoln if it has proof that the reported data is not accurate or if the Independent Monitor's report shows a discrepancy in the volume of Reclaimed Water reported by Lincoln. The County has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of Lincoln relating to Reclaimed Water.

(e) If the County elects to build one or more pipelines to dispose of its share of Reclaimed Water, Lincoln will reasonably cooperate with the County to allow the construction of the required pipelines and connection to the Lincoln WWTRF. The County will pay all costs required for that construction and connection and will promptly cause to be repaired any damage to the Lincoln WWTRF to the extent caused by such construction work. The County will also defend, indemnify and hold Lincoln harmless from and against any and all third-party claims, losses, damages, liabilities and expenses to the extent caused by or resulting from such construction, except to the extent of the active negligence or willful misconduct of Lincoln or those for whom it is responsible. Prior to building one or more such pipelines, the County will meet and confer with City regarding the location and construction. If Lincoln

reasonably objects to the proposed route of such pipeline(s), the Parties will resolve the matter per Article 7.

(f) For information only, each Party will notify the other of any arrangements it makes to sell Reclaimed Water. Provided that a Party may not enter a transaction with the notifying Party's buyer at a unit price lower than the unit price charged by the notifying Party to that buyer, the other Party may enter further transactions with that buyer to sell its share of Reclaimed Water if that buyer desires additional water beyond what the notifying Party has agreed to provide.

(g) Revenue earned by the County for its share of Reclaimed Water has no impact on the Operations Charge or any other amounts that the County is obligated to pay to Lincoln.

5.4 Continued Operations and Maintenance. Unless and until the Parties agree upon a different governance structure, the provisions of this Agreement governing the initial Operations Period will continue to apply after the completion of the first five years of the Operations Period, subject to the following subsections.

5.4.1 Oversight Committee.

(a) Composition. After the fifth anniversary of Treatment Substantial Completion, the Parties will form an "Oversight Committee" consisting of two members of the County's Board of Supervisors and two members of Lincoln's City Council. A Party may replace either of its representatives on the Oversight Committee upon notice to the other Party.

(b) Function. The Oversight Committee provides elected official oversight of the operations of the Regional Facilities and the activities of the PCT and Authorized Representatives. The Oversight Committee will receive the reports described in Section 5.1.4, be briefed on Regional Facilities operations and needs by the staff of Lincoln and the County at their regular meetings, consider any Major Decisions proposed by either Party, and provide such recommendations and advice regarding Major Decisions as they deem appropriate to their respective board or council. The Oversight Committee does not have independent authority to direct the operations of the Regional Facilities, but will advise the County's Board of Supervisors and Lincoln's City Council as to the Major Decisions that require board and council approval.

(c) Meetings. The Oversight Committee will meet at least quarterly, and by resolution may provide for holding regular meetings at more frequent intervals. The date, hour and place of each such meeting will be fixed by resolution of the Oversight Committee. All meetings of the Oversight Committee, whether regular or special, must be called, held, noticed, agendas posted, and conducted in accordance with applicable law, including the Ralph M. Brown Act (California Government Code Sections 54950 et seq.). The Oversight Committee will appoint a chairperson to conduct its meetings. Decisions of the Oversight Committee, which are limited to those actions specified in this Section 5.4.1(c), will be by majority vote of members of the Oversight Committee, with each member having one vote, and with a quorum of at least one member from each Party required at the meeting in order to approve an action (other than to adjourn). A tie vote results in non-approval of the proposed action.

5.4.2 Major Decisions.

(a) Enumeration of Major Decisions. "Major Decisions" consist of the following decisions proposed by either or both Parties, provided that a proposed action that is reasonably necessary to avoid violating a state or federal permit, permit requirement, statute or regulation is not a "Major Decision" requiring approval of the Board of Supervisors and City Council:

(i) Approving the participation of the City of Auburn or any other public entity in the MWPRS Project;

(ii) Changing the Operations Charge, other than the adjustments contemplated under Section 5.2.1;

(iii) Approving a R&R Project that (i) is not described in the R&R Study, (ii) will exceed the estimated cost for such project in the R&R Study, or (iii) is needed prior to the time for such project shown in the R&R Study, provided that each Party retains its remedies under Section 5.3.2; and

(iv) Approving the joint debt financing of any R&R Project, Expansion Project or capital project needed due to a Regulatory Change.

(b) Approval of Major Decisions. After the fifth anniversary of Treatment Substantial Completion, any action regarding a Major Decision requires the formal approval of both the County's Board of Supervisors and Lincoln's City Council. Prior to submitting actions on Major Decisions to the board or council, the Parties will brief the Oversight Committee on the proposed Major Decision at either a regular or special meeting of the Oversight Committee. Members the Oversight Committee may provide, jointly or separately, such recommendations and advice regarding Major Decisions as they deem appropriate to their respective board or council.

5.4.3 Joining Additional Participants. Should the City of Auburn or another public entity wish to participate in the MWPRS Project and both Parties approve the inclusion of the entity, then, in addition to any other separate agreements between a Party and the joining entity, the Parties will negotiate an amendment to this Agreement with the joining entity that provides for its rights and responsibilities during the Operations Period, including, without limitation: participation on the PCT and Oversight Committee; capacity allocation; funding R&R Projects, Expansion Projects, and capital projects required by Regulatory Change; sharing increased operations costs due to Regulatory Change or Regulatory Infraction; addressing its share of Reclaimed Water; and liability allocation.

5.5 Sale, Lease or Disposition of Regional Facilities. Lincoln will not abandon, substantially discontinue use of, sell, lease or otherwise dispose of the Regional Facilities, in whole or in part, without the written approval of the County and State Water Board. Lincoln will not enter any contract or arrangement or cause or permit any contract or arrangement to be entered (to the extent of its reasonable control) with persons or entities that are not state or local governmental units if that contract or arrangement would confer on such persons or entities any right to use the Regional Facilities on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts. Lincoln understands that County's SRF financing is conditioned on public

ownership of the Regional Facilities. Lincoln accepts and agrees that its failure to satisfy the provisions of this section will subject the County to repayment obligations, penalties, or costs to the State Water Board, and Lincoln will promptly reimburse the County for any costs incurred by County under its SRF financing due to Lincoln's failure to comply with the obligations of this Section.

6. Liability Allocation

6.1 Lincoln Indemnity Provisions.

6.1.1 General Indemnity. To the fullest extent permitted by law, Lincoln will defend, indemnify and hold the Indemnitees harmless from any and all claims, losses, damages, liabilities and expenses (including reasonable legal, expert witness and consulting fees and costs) arising out of, or resulting from, the acts or omissions, in whole or in part (including breach of contract), of Lincoln, its design firms, contractors, consultants, suppliers and anyone for whom any of them may be liable, in connection with the Lincoln-County Project, the Regional Facilities or the Lincoln WWTRF. Notwithstanding the above, Lincoln will not be required to defend, indemnify and hold harmless an Indemnitee for that Indemnitee's own active negligence, sole negligence or willful misconduct, provided that Lincoln will continue to indemnify and defend that Indemnitee to the extent and in proportion to the degree that the Indemnitee is not actively negligent.

6.1.2 Indemnity for Liens. Lincoln will defend, indemnify, and hold the County and other Indemnitees harmless from any and all claims, stop payment notices, or associated legal proceedings (including reasonable legal, expert witness and consulting fees and costs) asserted against the County by any contractor, subcontractor, suppliers or other persons or entities claiming by or through Lincoln or its contractors by reason of having provided labor, services, materials, and equipment relating to the Lincoln-County Project or the Regional Facilities.

6.1.3 Indemnity for Prevailing Wage Claims. Lincoln will defend, indemnify, and hold the County and other Indemnitees harmless from any and all claims, losses, damages, liabilities and expenses (including reasonable legal, expert witness and consulting fees and costs) arising out of any allegation that Lincoln or any of its contractors or subcontractors failed to comply with prevailing wage legal requirements.

6.1.4 Indemnity for Developer Claims. Lincoln will defend, indemnify, and hold the County and other Indemnitees harmless from any and all claims, losses, damages, liabilities and expenses (including reasonable legal, expert witness and consulting fees and costs) arising out of or connected with any obligations that Lincoln allegedly has to third party property developers or to Lincoln's residents.

6.1.5 Duty to Defend. Lincoln will:

(a) at Lincoln's own cost, expense and risk, defend all claims and proceedings as required in Section 6.1 using counsel reasonably satisfactory to the County. If Lincoln fails to defend diligently any such claim or proceeding with counsel reasonably satisfactory to the County, the Indemnitees will have the right (but no obligation) to defend the same at Lincoln's expense;

(b) give the Indemnitees copies of documents served in any such claims or proceedings and, whenever requested by an Indemnitee, will advise promptly as to the status of such claims or proceedings;

(c) reimburse the Indemnitees for any and all legal expense incurred by any of them in connection with such claims or proceedings or in enforcing the indemnities granted in Section 6.1 (or an Indemnitee may elect to offset all or part of its legal expense against any amounts it owes to Lincoln); and

(d) not settle any such claims or proceedings without the prior written consent of the Indemnitees (unless the effect of such settlement will be to release every Indemnitee against whom liability has been asserted from all liability whatsoever with respect to such claim and proceeding, without cost or contribution from any Indemnitee).

(e) The duty to defend will apply, and Lincoln will be required to furnish a defense, notwithstanding that there has not yet been an adjudication or finding of liability on the part of Lincoln or any Indemnitee, or as to whether an exception to provide a defense or indemnity may apply.

6.2 Indemnity by County. To the fullest extent permitted by law, County will defend, indemnify and hold Lincoln and its officers, directors, members, employees and affiliates harmless from any and all claims, losses, damages, liabilities and expenses (including reasonable legal, expert witness and consulting fees and costs) to the extent arising out of, or resulting from, the active negligence or willful misconduct of County in connection with the Lincoln-County Project. Notwithstanding the above, County will not be required to defend, indemnify and hold harmless Lincoln or its officers, directors, members, employees and affiliates for the active negligence, sole negligence or willful misconduct of Lincoln or those for whom Lincoln is responsible, provided that County will continue to indemnify and defend Lincoln to the extent and in proportion to the degree that Lincoln and those for whom it is responsible are not actively negligent.

6.2.1 Duty to Defend. County will:

(a) at County's own cost, expense and risk, defend all claims and proceedings as required in Section 6.2 using counsel reasonably satisfactory to Lincoln. If County fails to defend diligently any such claim or proceeding with counsel reasonably satisfactory to Lincoln, then Lincoln will have the right (but no obligation) to defend the same at County's expense;

(b) give Lincoln copies of documents served in any such claims or proceedings and, whenever requested by Lincoln, will advise promptly as to the status of such claims or proceedings;

(c) reimburse Lincoln for any and all legal expense it incurs in connection with such claims or proceedings or in enforcing the indemnity granted in Section 6.2, provided that County may elect to offset all or part of Lincoln's legal expense against any amounts that Lincoln owes to County; and

(d) not settle any such claims or proceedings without the prior written consent of Lincoln (unless the effect of such settlement will be to release Lincoln from all liability

whatsoever with respect to such claim and proceeding, without cost or contribution from Lincoln).

(e) The duty to defend will apply, and County will be required to furnish a defense, notwithstanding that there has not yet been an adjudication or finding of liability on the part of County or Lincoln, or as to whether an exception to provide a defense or indemnity may apply.

6.3 Damages to the County for Project Delays.

6.3.1 Except as specifically provided in this Section 6.3, County waives all claims against Lincoln for damages due to delay in completion of the Lincoln-County Project. However, Lincoln will reimburse County within 30 days of written demand for the following costs arising from or connected with delays in completion of the Lincoln-County Project (other than delays for which County is responsible under Section 4.2.5(c)):

(a) Fines and penalties assessed by the State or Regional Water Quality Control Board or other regulatory agencies after the Treatment Completion Date due to noncompliance of County's wastewater collected at the SMD 1 WWTP Site with applicable regulatory standards until the date the Project actually achieves Treatment Substantial Completion;

(b) The interest accrued on County's SRF loan between the Project Final Completion Date and the date when Project Final Completion actually occurs;

(c) Additional costs incurred by County for its construction-related consultants and outside advisors between the Project Final Completion Date and the date when Project Final Completion actually occurs; and

(d) The difference between (1) the costs paid by County in continuing to operate the SMD 1 WWTP Site from the Treatment Completion Date (including the cost of County employees assigned to the SMD 1 WWTP Site) until the date when Treatment Substantial Completion actually occurs and (2) the Operations Charge County would have paid during that time period.

6.3.2 If County terminates the Agreement pursuant to Section 6.7 and the number of Accrued Delay Days are greater than ten, then the calculation of delay costs under Section 6.3.1 will be made as if the Project had achieved Project Final Completion or Treatment Substantial Completion, as applicable, on that date which occurs on the number of Accrued Delay Days after the Project Final Completion Date or Treatment Completion Date, as applicable. The "Accrued Delay Days" are the number of calendar days between the Treatment Completion Date (as adjusted under Section 4.2.5(c)) and the projected date of Treatment Substantial Completion determined as of the effective date of termination of this Agreement. If County terminates the Agreement pursuant to Section 6.7 and number of Accrued Delay Days is less than or equal to ten, then Lincoln will not be responsible for any delay costs under Section 6.3.1.[*]

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[*] The following example illustrates the determination of delay costs under Section 6.3.2. Assume that County terminates under Section 6.7 when the construction is 70% complete and at that time, the projected date of Treatment Substantial Completion is November 15, 2015. The Accrued Delay Days (footnote continued)

6.3.3 If Lincoln fails to reimburse County as provided in Section 6.3, then, without limiting any other rights or remedies of County, County may credit the costs allowed under Section 6.3 as Capital Costs paid to Lincoln in reduction of the Oversizing Contingency or may offset all or a portion of those costs against any amounts due from County to Lincoln under this Agreement or applicable law.

6.3.4 Except to the extent that any active negligence of Lincoln causes the loss of the principal forgiveness under the SRF financing, County also waives any claims against Lincoln for any loss of the principal forgiveness under the SRF financing for failure to meet the SRF application deadline.

6.4 Damages to Lincoln for Project Delays. Except as specifically provided in this section, Lincoln waives all claims against the County for damages due to delays in completion of the Lincoln-County Project caused by the County or those for whom it is responsible. Lincoln's sole remedy for any Lincoln-County Project delays is the remedy of an adjustment to the Capital Charge and/or Project Completion Dates as provided by Section 4.2.5(c).

6.5 If Lincoln Defaults.

6.5.1 Except as specifically provided otherwise in this Agreement, before County may seek a remedy for a Material Default by Lincoln, County must provide written notice of the Material Default to Lincoln. The notice must describe the nature of the default and identify a period within which Lincoln must cure the Material Default, which period will be at least ten days after the notice of default and will be extended as reasonably necessary for the cure of the particular Material Default, so long as Lincoln commences and pursues the cure with reasonable diligence during the identified time period. County need not allow Lincoln an opportunity to cure if County has reasonable evidence that Lincoln committed fraud related to the Lincoln-County Project or Regional Facilities.

6.5.2 If Lincoln fails to cure a Material Default within the time frame allowed under Section 6.5.1, County may pursue any and all remedies allowed by law or equity arising out of the Material Default, and County will be excused from performing any further obligations to Lincoln under this Agreement other than in this Section 6.5.2. Without limiting any other rights or remedies of County, after Lincoln fails to cure a Material Default within the time frame allowed under Section 6.5.1 and after giving Lincoln prior written notice, County may:

(a) perform any obligations of Lincoln under this Agreement and, by an irrevocable license, take possession of the SMD 1 WWTP Site, the Lincoln WWTRF, the Regional Facilities, rights of way and other property interests acquired by Lincoln to connect the SMD 1 WWTP Site and the Lincoln WWTRF, and of all Lincoln's work-in-progress, materials,

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would be the number of calendar days between August 31, 2015 (the Treatment Completion Date) and November 15, 2015, for a total of 76 calendar days. For purposes of calculating delay costs, the date on which the Project is deemed to achieve Project Final Completion is June 15, 2016 (March 31, 2016 plus 76 calendar days), and the date on which it is deemed to achieve Treatment Substantial Completion is November 15, 2015. Lincoln would then be responsible for: (a) the RWQCB fines for noncompliance between September 1, 2015 and November 15, 2015; (b) SRF loan interest for the period of April 1, 2016 through June 15, 2016; (c) County's additional costs for its construction-related consultants and outside advisors for the period of April 1, 2016 through June 15, 2016; and (d) the differential in operating costs for SMD 1 versus Operations Charge for period of September 1, 2015 through November 15, 2015.

equipment, tools, and machinery used in constructing or operating the Lincoln-County Project or the Regional Facilities, with County's possession ending at such time as County reasonably determines that Lincoln is ready, willing and able to operate the Regional Facilities on the terms of this Agreement or such other terms agreed in writing by the Parties;

(b) exercise its rights under Sections 4.3.4(h), 4.3.5(v), 5.3.5(f) and/or 5.3.6(i) and take by assignment those of Lincoln's contracts with designers, CM, contractors or operators elected by County;

(c) complete the construction of the Lincoln-County Project components necessary to treat the County's wastewater from the SMD 1 WWTP Site and/or operate the Regional Facilities by whatever reasonable methods County may deem expedient for the period allowed under Section 6.5.2(a) above;

(d) charge County's costs incurred per Section 6.5.2 (including any costs paid by County to a contractor or surety to cure any default by Lincoln under its construction contracts) amounts to Lincoln as follows:

(i) First, as an offset against any amounts due from County to Lincoln under this Agreement or applicable law.

(ii) Next, any remaining amount of County's costs for completing the construction of the Lincoln-County Project components necessary to treat the County's wastewater from the SMD 1 WWTP Site will be treated as Capital Costs paid to Lincoln until the aggregate of all Capital Costs paid by County reaches the Capital Charge, after which Lincoln must reimburse the remainder of County's costs for completing the construction of the Lincoln-County Project components necessary to treat the County's wastewater from the SMD 1 WWTP Site.

(iii) In addition, Lincoln must reimburse all costs incurred by County for operating the Regional Facilities that exceed the County's Operations Charge.

(iv) County will notify Lincoln of the costs to be charged to Lincoln under this Section 6.5.2, including reasonable back-up documentation of such costs. County will also provide all documentation reasonably requested by Lincoln to evidence such costs, and Lincoln has the right, upon advance notice and during normal business hours, to inspect and copy the relevant records of County relating to those costs. Lincoln will pay the amounts due from it to the County within 30 days of County's notice under this paragraph. Past due amounts will bear interest.

6.5.3 County and Lincoln agree that the obligations of Lincoln are unique and that a failure of Lincoln to meet its obligations under this Agreement would result in County being unable to supply waste water treatment in compliance with regulatory requirements, thereby harming the public welfare. Thus, both Lincoln and County agree that an action for monetary damages by County due a Material Default by Lincoln would be an inadequate remedy by itself. Without limiting any other rights or remedies of County, if Lincoln fails to cure a Material Default within the time frame allowed under Section 6.5.1, Lincoln agrees that County may bring an action for specific performance of this Agreement by Lincoln, and Lincoln waives any defenses it may have to the availability of specific performance as a remedy for County without waiving (1) Lincoln's right to contest whether Lincoln is in breach of a contractual

obligation or (2) County's obligation under Civil Code Section 3386 (or any successor statutory provision) to assure County's performance of this Agreement.

(a) Lincoln and County agree that the terms of this Agreement are sufficiently definite for a court to enforce its material provisions under a remedy of specific performance and that the court's enforcement of a specific performance remedy would be practically feasible.

(b) If and to the extent necessary for a court to mandate specific performance, the Parties agree that the court may sever any non-essential provision of this Agreement and provide an alternative remedy for such non-essential provision.

6.5.4 County may offset all of its costs, losses and damages arising out of or related to a Material Default by Lincoln against any amounts due from County to Lincoln under this Agreement or applicable law.

6.6 If County Defaults. Inasmuch as the primary obligations of the County under this Agreement are the payment of various monetary sums and that the services to be provided by Lincoln are critical to the public welfare, Lincoln agrees that its only remedy for a Material Default by the County is a claim for monetary damages to the extent allowed under this Agreement. In no event may Lincoln suspend, slow down or cease to fulfill its obligations under this Agreement to construct and operate the Lincoln-County Project and Regional Facilities without the written consent of the County. Except as specifically provided otherwise in this Agreement, before Lincoln may seek a remedy for a Material Default by the County, Lincoln must provide written notice of the Material Default to the County. The notice must describe the nature of the Material Default and identify a reasonable period within which County must cure the Material Default, which period will be at least ten days after the notice of default and will be extended as reasonably necessary for the cure of the particular Material Default, so long as the County commences and pursues the cure with reasonable diligence during the identified time period. Lincoln need not allow the County an opportunity to cure if Lincoln has reasonable evidence that the County has committed fraud related to the Lincoln-County Project or Regional Facilities. If the County fails to cure the Material Default within that time period, then Lincoln may proceed under Article 7. Lincoln may offset all of its costs, losses and damages arising out of or related to a Material Default by the County against any amounts due from Lincoln to the County under this Agreement or applicable law.

6.7 County's Right to Terminate. Without limiting any other rights or remedies of County, if County determines that the Lincoln-County Project is impracticable to complete or that County's participation in the Lincoln-County Project or Regional Facilities is no longer in the best interests of the County, as determined by the Board of Supervisors, then County may terminate this Agreement effective 15 days after written notice of termination to Lincoln. After such a termination made prior to the Operations Period, subject to an offset for damages sustained by County arising from any Material Default(s) by Lincoln, County must promptly pay or reimburse Lincoln for all undisputed Capital Costs owed by County under this Agreement that are incurred by or on behalf of Lincoln through the effective date of termination (plus a reasonable period of time thereafter for Lincoln to terminate its design and construction contracts, cancel orders of materials and equipment, dispose of unneeded materials and equipment already delivered, and restore any excavation or disturbed conditions) and not yet paid or offset pursuant to this Agreement. After such a termination made during the Operations Period, subject to an offset for damages sustained by County arising from any Material Default(s) by Lincoln, County must promptly pay Lincoln for all Operations Phase payments

owed by County under this Agreement that are due from County through the effective date of termination and not yet paid or offset pursuant to this Agreement. Payment under this Section 6.7 will be Lincoln's sole remedy for a termination under this section. Disputes over amounts due under this Agreement will be resolved per Article 7.

6.8 Breach Affecting Tax-Exempt Status or Federal Compliance. If any breach of the provisions of this Agreement by Lincoln results in the loss of tax exempt status for any bonds of the State or any subdivision or agency thereof, including bonds issued on behalf of the State Water Board, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, Lincoln must immediately pay on behalf of the County or reimburse the County for costs of the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

If any breach of the provisions of this Agreement by Lincoln results in the failure of SRF funds to be used pursuant to the provisions of the County's financing agreement with the State Water Board, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, Lincoln must immediately pay on behalf of the County or reimburse the County for costs of the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

Any breach of the financing agreement with the State Water Board on the part of the County does not relieve the County of its obligations to pay Lincoln under this Agreement, nor impose any obligation on Lincoln to reimburse the County or State for any damages paid by or loss incurred by the State of any subdivision or agency thereof due to such breach, provided that the County's breach of the State Water Board financing agreement is not due to any act, omission or breach of Lincoln or its contractors.

Any dispute as to whether Lincoln has breached a provision of this Agreement will be resolved per Article 7.

7. Dispute Resolution

7.1 General. "Disputes" are disputes, claims, or other matters in question between the Parties arising out of or connected to the Lincoln-County Project, the Regional Facilities or this Agreement, including breach of contract. Without limiting the Parties' rights under Article 6, Disputes will be resolved as provided in this Article 7.

7.2 Expedited Procedure.

7.2.1 Applicability. Notwithstanding Sections 7.3 through 7.6 below, the expedited dispute resolution process in this Section 7.2 will apply when the Dispute occurs before Treatment Substantial Completion and meets any one or more of the following categories:

(a) the aggregate cost impact of the Dispute on a Party (including any impact on a Party's future operations costs) is less than $100,000. Those matters that are likely to repeat over the course of the Lincoln-County Project will have their cost impact estimated based on the aggregate cost of their future occurrences;

(b) the Dispute involves a matter that would delay Treatment Substantial Completion if not determined on an expedited basis; or

(c) a payment Dispute under Section 4.2.1(c).

However, notwithstanding the above, the expedited dispute resolution process in this Section 7.2 will not apply when the Dispute involves a matter affecting the compliance of the Lincoln-County Project with applicable laws and regulations or affecting the safety of the public or workers.

7.2.2 Project Neutral. The Parties have jointly selected the Project Neutral and an alternate, as designated in Section 1.1.40. If the Project Neutral or the alternate Project Neutral resigns or is unable to serve, the Parties will jointly designate a successor Project Neutral or alternate Project Neutral. If the Parties are unable to agree on a successor within five days after written notice from one to the other specifying this section, either Party may request the American Arbitration Association (AAA) to appoint a person from its National Roster of Neutrals experienced in construction disputes to act as the Project Neutral or alternate Project Neutral. However, AAA rules for arbitration will not apply.

7.2.3 Informal Resolution. Prior to invoking the expedited procedures of this Section 7.2, the Authorized Representatives of the Parties will use good faith, expedited efforts to resolve the matter.

7.2.4 Notice. If a Party gives written notice to the other Party and the Project Neutral invoking the expedited procedures of this Section 7.2, the Parties and Project Neutral will schedule a joint meeting to occur within three business days of the request (unless both Parties agree to a later meeting). If the Project Neutral is not available in that time period, the notifying Party will send its notice to the alternate Project Neutral designated in Section 1.1.40 and the Parties will schedule the joint meeting with that alternate within three business days. To be effective, the notice must specify in reasonable detail the following items, and a failure to address them is grounds for the responding Party to delay the joint meeting with the Project Neutral until after a compliant notice is received:

(a) the nature of the Dispute and prior efforts to resolve it;

(b) which category of Section 7.2.1 applies to the Dispute; and

(c) the initiating Party's proposal for resolving the Dispute.

7.2.5 Response. The Party receiving a notice under Section 7.2.4 must provide the Project Neutral and initiating Party with a written response no later than the end of the business day prior to the scheduled joint meeting. The response will indicate the responding Party's position on the Dispute and specify its own proposal for resolving the Dispute, and may also challenge whether the requirements of Section 7.2.1 have been met. Failure by the non-initiating Party to submit a response complying with this Section 7.2.5 will not delay the joint meeting, but will be taken into consideration by the Project Neutral in making its decision.

7.2.6 Meeting with Project Neutral. The joint meeting of the Parties and Project Neutral will last no more than 4 hours unless both Parties agree to extend the time or adjourn the meeting to another day. Using such meeting procedures determined by the Project

Neutral, each Party will present its position and requested determination to the Project Neutral. If the responding Party has challenged whether the Dispute meets the requirements of Section 7.2.1, the first item to be determined by the Project Neutral is whether the Dispute is subject to the expedited process of this Section 7.2. The Project Neutral must make that determination during the joint meeting and document it to the Parties promptly thereafter. If the Project Neutral determines that the Dispute is not subject to the expedited process of this Section 7.2, then the Parties will schedule a meeting of the Authorized Representatives within seven days and proceed with the standard dispute resolution process under Sections 7.3 through 7.6 without the need for the initial notice.

7.2.7 Project Neutral's Decision(s). The Project Neutral will have no authority to decide any Disputes other than Disputes meeting the requirements of Section 7.2.1. In considering or rendering any decision, the Project Neutral must construe, interpret, and apply this Agreement strictly in accordance with its terms. Provided the Dispute is not successfully challenged before the Project Neutral on the basis of not meeting the requirements of Section 7.2.1, the Project Neutral must deliver a written decision on the Dispute, including a statement of the Project Neutral's reasons supporting the decision, to the Parties no later than the end of the business day following the joint meeting. During the course of the Lincoln-County Project until and including Project Final Completion (or, if earlier, the termination of this Agreement), the Project Neutral's decision is binding and both Parties must comply promptly with Project Neutral's decision, unless: (a) a court of competent jurisdiction has determined that the Project Neutral has acted beyond his or her authority, or (b) both Parties jointly agree in writing at any time to amend the Project Neutral's decision. However, following Project Final Completion (or, if earlier, the termination of this Agreement), any and all decisions of the Project Neutral are no longer conclusive or binding—i.e., the Parties may assert their rights as to such issues as if the Project Neutral never decided them. If a Party wishes to assert its rights regarding a Dispute decided by the Project Neutral, then following Project Final Completion it must follow the dispute resolution procedure in Sections 7.3 through 7.6.

7.2.8 Shared Costs. The Parties will share equally the fees and costs of the Project Neutral for resolving any Dispute under this Section 7.2.

7.3 Notice and Informal Resolution. The dispute resolution procedures of Sections 7.3 through 7.6 will apply if the expedited process in Section 7.2 has not been invoked under its applicable terms, or, if Section 7.2 provides for the following procedures to apply. In such case, any Party may initiate these dispute resolution procedures by providing the other Party with written notice of a potential Dispute which specifies in reasonable detail the basis of the Dispute, the remedy sought and requesting a meeting of the Authorized Representatives to resolve. The Authorized Representatives of the Parties will then meet within seven days of receipt of a notice of potential Dispute and make good faith efforts to resolve it. Under no circumstances will a claim be made if it is barred by applicable statutes of limitation or repose.

7.4 Senior Executive Meeting. If the Authorized Representatives are unable to resolve the Dispute, any Party may request a meeting of the Senior Executives for purpose of resolving the Dispute. The Senior Executives will review the Dispute in detail and then meet face-to-face to discuss and use good faith efforts to resolve the matter ("Senior Executive Meeting"). The Senior Executive Meeting will occur no later than 14 days after the request made by a Party for the meeting, unless the Parties agree upon a longer period of time. The Senior Executive Meeting will be for the express purposes of: (a) exchanging and reviewing all pertinent non-privileged documents and information relating to the matters and issues in the

Dispute; (b) freely and candidly discussing each Party's position; and (c) reaching agreement upon a reasonable resolution of the Dispute.

7.5 Independent Expert.

7.5.1 If the Dispute primarily involves engineering or other technical matters and is not resolved within seven days after the Senior Executive Meeting, then the Parties may agree to have the Dispute reviewed by an independent, third-party expert in the subject matter of the Dispute ("Independent Expert") who will recommend a realistic solution in the best interest of the members of the public affected by the Lincoln-County Project or Regional Facilities. The Independent Expert must be approved by both Parties and must not have any past (within the preceding five years) or present business or financial relationship with either Party or any other entity financially interested in the subject of the dispute, other than having previously served as an Independent Expert.

7.5.2 Once appointed, the Independent Expert will review any prior technical analyses or recommendations, review material submitted by the Parties and, as the Independent Expert deems appropriate, meet with the Parties and other persons having information relevant to the issues in dispute before rendering a recommendation as to an appropriate resolution of the Dispute. Within 21 days after appointment, the Independent Expert will deliver a written recommendation to the Parties regarding the Dispute. If any Party objects to the expert recommendation, it may request an opportunity to submit additional information to Independent Expert for consideration. The additional information will be shared with the other Parties who will also be afforded the opportunity to provide additional information, and the Independent Expert may update its recommendation as it sees fit. The Parties may use the expert recommendation as they see fit in resolving the Dispute, but the recommendation is not binding.

7.5.3 The Parties will equally share the fees and costs of the Independent Expert. The recommendation of the Independent Expert will be admissible in evidence in any subsequent dispute resolution proceeding only to the extent so ordered by a court pursuant to the California Evidence Code or Federal Rules of Evidence, as applicable.

7.6 Mediation.

7.6.1 If the Dispute is not resolved under the provisions of Sections 7.3 through 7.5, then prior to any litigation of the Dispute commenced by either or both Parties, the Parties must jointly attempt to resolve the Dispute through mediation with a mutually acceptable mediator. If the Parties are unable to agree on a mediator within ten days of the request for mediation, then the Party requesting the mediation will request the American Arbitration Association to appoint a mediator from its Panel of Mediators experienced in construction disputes.

7.6.2 After appointment, the mediator may inspect the Lincoln-County Project site, the Regional Facilities site, documents pertaining to the Lincoln-County Project or Regional Facilities, and other information reasonably required to understand the factual and legal basis of the Dispute. With the approval of the Parties, the mediator may engage an expert consultant to provide independent analysis to the mediator on technical matters, which analysis the mediator may share with the Parties in mediator's discretion. The Parties and mediator will schedule a mediation session at a mutually acceptable time. Representatives from each Party who have authority to resolve the Dispute will attend the mediation. The mediator will have no authority to

make binding decisions; any resolution of the Dispute during mediation requires the written agreement of both Parties. The Parties will bear the cost of mediation equally.

7.7 Continuation of Work. Each Party must continue to perform its obligations under this Agreement, including diligently prosecuting the construction work and making all undisputed payments, regardless of the existence of a Dispute or the pendency of dispute resolution proceedings between or among the Parties, whether under Section 7.2 or the remainder of this Article 7.

8. Miscellaneous

8.1 No Constraint on County's Standard Regulatory Role. Without limiting Section 4.3.2, nothing in this Agreement will prevent or constrain County from exercising its standard regulatory functions on any aspects of the Lincoln-County Project or Regional Facilities that would otherwise be under County jurisdiction if County were not a party to this Agreement, including without limitation evaluating and granting permits, inspecting work, and collecting applicable fees and taxes, nor will County's exercise of such standard regulatory functions give rise to any claim under this Agreement by Lincoln.

8.2 Good Faith Cooperation. The County and Lincoln will act in good faith and cooperate with each other in completing the Lincoln-County Project and operating the Regional Facilities to meet the requirements of this Agreement. The Parties will provide the necessary services of their Authorized Representatives to perform their duties under this Agreement and provide any necessary institutional support to meet its obligations under this Agreement.

8.3 License of County's Real Property Interests. County will continue to own the SMD 1 WWTP Site as well as all real property County already owns and through which certain segments of the Lincoln-County Project's pipelines will be installed (the "County Property"). The County Property also includes the temporary laydown area shown in Exhibit 14. County will provide property insurance covering the SMD 1 WWTP Site. County grants Lincoln a license from the effective date of this Agreement through the end of the Operations Period to access, perform work on, improve, alter, and otherwise use the County Property, through Lincoln staff, Lincoln contractors and/or Lincoln agents, solely for purposes of carrying out the Lincoln-County Project and operating the Regional Facilities. So long as there is not an uncured Material Default by Lincoln, the license granted in this section is irrevocable through the term of the Operations Period, provided that the license for use of the temporary laydown area only lasts through Project Final Completion. Lincoln may not sublease or sublicense any part of the County Property and any purported sublease or sublicense will be void. There is no additional charge to Lincoln for this license beyond the consideration supporting the mutual obligations of the County and Lincoln under this Agreement.

8.4 Restrictions on Pipeline Connections. No user connections will be allowed to the force main pipeline between the end point of that pipeline nearest to the County and the point where the force main pipeline connects to the energy dissipation structure at Sierra College Boulevard. Any user connections to the gravity main pipeline outside the municipal boundaries of Lincoln and west of Sierra College Boulevard require the written approval of Lincoln and the County, not to be unreasonably withheld or delayed.

8.5 Responsibility for Contractors. Lincoln will be responsible for all persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to,

contractors, subcontractors, suppliers, and providers of services. Lincoln be responsible for any and all disputes arising out of its third party contracts for work on the Lincoln-County Project.

8.6 Required Notices. Lincoln will notify the County and the State Water Board within three days of the occurrence of any of the following:

8.6.1 Any litigation pending or threatened against Lincoln regarding the Lincoln-County Project, Regional Facilities, Lincoln's wastewater capacity or its continued operation of the Lincoln WWTRF or Regional Facilities;

8.6.2 adverse water quality findings by the Regional Water Quality Control Board;

8.6.3 Change of ownership of the Lincoln-County Project or Regional Facilities, or change of management or service contract for operation of the Lincoln WWTRF or the Regional Facilities; or

8.6.4 Cessation of all major construction work on the Lincoln-County Project where such cessation of work is expected to or does extend for a period of 30 days or more;

8.6.5 Any circumstance, combination of circumstances, or condition, which is expected to or does delay Project Final Completion beyond the Project Final Completion Date, with follow-up information per Section 4.3.16;

8.6.6 Discovery of any potential archeological or historical resource. Should a potential archeological or historical resource be discovered during construction of the Lincoln-County Project, Lincoln agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State Water Board has determined what actions should be taken to protect and preserve the resource. Lincoln agrees to implement appropriate actions as directed by the State Water Board;

8.6.7 Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. This notification is in addition to Lincoln's obligations under the federal Endangered Species Act;

8.6.8 Any monitoring, demonstration, or other implementation activities such that the County, State Water Board and/or Regional Water Quality Control Board staff may observe and document such activities; or

8.6.9 Any public or media event publicizing the accomplishments and/or results of this Lincoln-County Project and provide the opportunity for attendance and participation by state and federal representatives with at least ten working days' notice to both the State Water Board and USEPA Region IX. As of the date of this Agreement, the contacts for USEPA Region IX are Juanita Licata at Licata.juanita@epa.gov (415) 972-3450 and Josh Amaris at Amaris.josh@epa.gov (415) 972-3597.

8.7 Rights in Data. Lincoln agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement, whether produced by Lincoln or its design firms or contractors, are subject to the rights of the County and State of California as set forth in this

section. The County and State both have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the author may copyright the same, except that, as to any work which is copyrighted by the author, the County and State each reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from Lincoln or the author upon request.

8.8 Records and Accounts. Each Party must keep proper books of record and accounts of the activities, finances, deliverables and obligations for the Lincoln-County Project and the Regional Facilities. Accounting records must make complete and correct entries of all transactions relating to the Lincoln-County Project and the Regional Facilities.

8.9 Compliance with Laws and Regulations. Lincoln agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limiting the foregoing, Lincoln agrees that, to the extent applicable, Lincoln will:

8.9.1 Comply with the provisions of the adopted environmental mitigation plan for the Lincoln-County Project;

8.9.2 Comply with the State Water Board's "Policy for Implementing the Clean Water State Revolving Fund," as amended from time to time;

8.9.3 Comply with and require its contractors and subcontractors to comply with the list of federal laws in Exhibit 16 or any other federal laws as required by the State Water Board; and

8.9.4 Comply with the following non-discrimination provisions:

(a) During the performance of this Agreement, Lincoln and its contractors and subcontractors will not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.

(b) Lincoln, its contractors, and subcontractors will insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(c) Lincoln, its contractors, and subcontractors will comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(d) Lincoln, its contractors, and subcontractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(e) Lincoln will include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under the Agreement.

8.10 Disclosure of Financial Information, Operating Data, and Other Information. Lincoln agrees to furnish such financial, operating and other data pertaining to the Lincoln-County Project as may be requested by the County or the State Water Board to: (i) enable the State Water Board to cause the issuance of bonds and provide for security therefor; or (ii) enable any underwriter of bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

8.11 SRF Litigation. Under no circumstances may Lincoln use funds from any disbursement under this Agreement to pay costs associated with any litigation Lincoln pursues against the State Water Board or any Regional Water Quality Control Board.

8.12 Periodic Review of Insurance. The Parties recognize that, over a long term, insurance limits and requirements may need to change. Accordingly, after the commencement of the Operations Period, the Parties will periodically (no less than every five years) review the insurance requirements in Exhibit 7 and negotiate in good faith any requested amendments to the requirements in Exhibit 7.

8.13 Disposition of Property upon Termination. Upon any termination of the Agreement allowed hereunder, all improvements at the SMD 1 WWTP Site and the Lincoln-County Project pipeline outside Lincoln's city boundaries will belong to the County, and all Regional Facilities within Lincoln's city boundaries will belong to Lincoln.

8.14 Interest. Unless otherwise provided in this Agreement, any amounts due and unpaid will bear interest at an annual rate equal to the "prime rate" for commercial lending plus 1%. Should the County seek reimbursement under this Agreement for any interest to which it may expressly claim reimbursement from Lincoln as damages (e.g., interest accrued on the SRF loan, as provided in Section 6.3.1(b)), the interest rate shall be the actual interest rate incurred by the County.

8.15 Survival. The following provisions will survive the termination or expiration of this Agreement: Sections 4.2.1(c), 4.2.4(a), 4.3.4 through 4.3.7, 5.3.2(c) through 5.3.2(e), 5.3.5, 5.3.6, 5.3.14(e), 5.3.15(c), 5.3.15(d), 5.3.17(e), and Articles 6, 7, and 8, and Sections 2.4, 3.4 and 4 of Exhibit 6A.

8.16 Confidentiality. A Party must not disclose, or permit anyone for whom it is responsible to disclose, any Confidential Information to any third person except as required by applicable law, court order or as the Confiding Party may otherwise authorize in writing. If the Confiding Party authorizes disclosure to a third party that is not required by law, the disclosing Party must, prior to disclosure, enter into a confidentiality agreement with such third party containing provisions at least as strict with respect to use and disclosure of Confidential Information as set forth in this Section 8.16. Each Party will take all reasonable precautions to safeguard the Confidential Information of the other Parties. Upon request of the Confiding Party, the other Party must either return all documents with Confidential Information or certify that all copies of such documents have been appropriately destroyed.

8.17 Notice. Any notices to Parties required by this Agreement must either be delivered in person or mailed, U.S. first class, postage prepaid, addressed as follows:

If to County:

County of Placer
Department of Facilities Services
Attention: Bill Zimmerman, Deputy Director
11476 "C" Avenue
Auburn, CA 95603

With a copy to:

Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603

If to Lincoln:

City of Lincoln
Attention: Mark Miller, Director of Public Services
600 6th Street
Lincoln, CA 95648

With a copy to:

Jonathan Hobbs
City Attorney, City of Lincoln
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

8.17.1 Notices under this Agreement will 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 as required above.

8.18 Further Assurances. Each Party will 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 purposes and intent of this Agreement.

8.19 Amendment. This Agreement may be amended only by the written agreement of the Parties; no representative of any Party has authority to amend this Agreement orally.

8.20 Jurisdiction and Venue. This Agreement will be governed by the laws of the State of California. The Parties agree that exclusive venue for any legal proceeding brought under this Agreement will be in the County of Placer, State of California.

8.21 Assignment. Each Party respectively binds itself and its successors, assigns, and legal representatives to the other Party to this Agreement. A Party may not assign this Agreement without the written consent of the other Party and any unconsented assignment will be void.

8.22 Interpretation. The terms and conditions of this Agreement will be interpreted according to their plain meaning, and not strictly for or against any Party. Any rule of construction or interpretation to the contrary will be of no force or effect with respect to this Agreement. If a court of competent jurisdiction finds any term or provision of this Agreement to be void or unenforceable, the term or provision will be deemed severed, and the remainder of the Agreement will remain in full force and effect according to its terms and provisions, to the maximum extent permitted by law.

8.23 Waiver. Except as otherwise specifically provided in this Agreement, any waiver of a Party's rights or obligations under this Agreement must be made in a writing signed by the waiving party. No Party's action or failure to act will not constitute approval of or acquiescence in a breach of this Agreement unless specifically agreed to in writing by the Parties.

8.24 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original. When proving this Agreement, it will only be necessary to produce or account for the counterpart signed by the Party against whom enforcement is sought. Electronic copies or photocopies of this Agreement showing the true signatures of the Parties may be used for all purposes as originals.

8.25 Section Headings. The section headings contained in this Agreement are for reference purposes only and will not in any way affect the meaning of interpretation of this Agreement.

8.26 Entire Agreement. This Agreement (and, to the extent incorporated herein, the DERA) constitute the entire integrated agreement between the Parties and supersedes all prior oral and written negotiations, representations, or agreements by the Parties with respect to this subject matter**.**

[Signature Page Follows this Page]

IN WITNESS WHEREOF, the Parties have each caused their duly authorized officers to execute this Agreement effective as of the date first written above.

COUNTY OF PLACER

BY: _____
Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: _____
County Counsel

ATTEST:

BY: _____
Clerk, Board of Supervisors

CITY OF LINCOLN

BY: _____
City Manager

ATTEST:

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

EXHIBIT 1 – LINCOLN – COUNTY PROJECT DESCRIPTION

Summary & Purpose

The Mid-Western Placer Regional Sewer Project (Project) will consolidate wastewater treatment from the County's North-Auburn Sewer Maintenance District 1 (SMD 1) and the City of Lincoln ("Lincoln"). The purpose of this project description is to generally describe the features and design considerations of the various aspects of the proposed Project.

The two main elements of the Project are:

Wastewater conveyance facilities consisting of a new pump station and new and existing pipelines which run from the existing SMD 1 Wastewater Treatment Plant (WWTP) to the Lincoln Wastewater Treatment and Reclamation Facility (WWTRF)

Expanding the treatment capacity of the existing Lincoln WWTRF

Proposed Project Components

As mentioned above, the project includes both wastewater conveyance and treatment elements. These are further described below.

Wastewater conveyance facilities from the SMD 1 WWTP to Lincoln WWTRF

The wastewater conveyance facilities include:

1. SMD 1 Export Pump Station - A Pump Station at the current SMD 1 WWTP with odor control, and emergency containment basins;
2. SMD 1 Export Sewer - A gravity force main from the SMD 1 Export Pump Station to the Junction Structure where a pipe from the City of Auburn ("Auburn") WWTP may connect;
3. Junction Structure - A junction structure to facilitate the connection of a potential Auburn Export Sewer (gravity force main pipeline from the Auburn WWTP) with the SMD 1 Export Sewer, with odor control, and energy dissipation as necessary;
4. Joint Export Sewer - A gravity force main from the Junction Structure to the location of an Energy Dissipation Structure near Sierra College Blvd.;
5. Energy Dissipation Structure - An Energy Dissipation Structure to facilitate the transition from gravity force main flow to gravity flow located at the end of the Joint Export Sewer, and odor control;
6. Bickford Sewer - The gravity sewer designed and partially constructed by the Bickford subdivision.
7. Lincoln Sewers - The Project will also make use of existing sewers through Lincoln.

SMD 1 Export Pump Station

Overview

The SMD 1 Export Pump Station will pump raw wastewater received directly from the collection system. It will be located in the Southeast corner of the SMD 1 WWTP site so that construction of the pump station will not interfere with the operation of the SMD 1 WWTP. Once flows can be diverted to the Lincoln WWTRF, selected existing SMD 1 WWTP water bearing structures will be retrofitted to be utilized for emergency containment. Two basins will be constructed to provide the remainder of the emergency containment. These basins will be located on the north side of the existing plant site in the vicinity of the existing sludge drying beds.

Design Criteria

Design criteria are presented below.

Project Component	**Flow and Load Basis** [1]		
SMD 1 Export Pump Station Structures and Piping	SMD 1 Service Area Build out	**Parameter**	**Value**
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	4.2
		Peak Hourly Flow, PHF	14.8
SMD 1 Export Pump Station Pumps	SMD 1 Existing Service Area and near-term growth	**Parameter**	**Value**
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	1.8
		Peak Hourly Flow, PHF	11.0
SMD 1 Flushing Storage – Retrofit of Existing Structures – Primary Clarifiers	Volume of Existing SMD 1 WWTP Structures	**Parameter**	**Value**
		Design Volume, Mgal	~0.5
SMD 1 Emergency Containment– New Basin	Volume of New SMD 1 Basins	**Parameter**	**Value**
		Design Volume, Mgal	6

[1] Design considered the full range of flows and loading anticipated

The construction of Project improvements at the SMD 1 WWTP will be designed and constructed so as to not interfere with the continued operation of the SMD 1 WWTP until completion of all of the improvements with the exception of the decommissioning, the emergency containment basin and retrofitting of the existing WWTP structures for containment use.

Specific Improvements

The proposed SMD 1 Export Sewer Pump Station design will include the following features:

A. Piping and structures designed for the SMD 1 Service Area Peak Hour Flow (PHF) of 14.8 Mgal/d.
B. Pumps to accommodate a PHF of 11 Mgal/d, expandable without the need for major structural changes up to 14.8 Mgal/d with the number and size of pumps necessary to accommodate the range of flows in an economical manner.
C. Dual wet well configuration for redundancy with discharge piping and valves at grade or in shallow vaults to facilitate operation.
D. Wastewater storage utilizing the primary clarifiers for pipeline flushing such that all solids will not accumulate in the pipelines where daily flows do not provide scour velocities. Flushing will be sufficient to migrate solids through the conveyance system to the WWTRF in two to five cycles so that solids do not accumulate in the pipeline.
E. Screening and grit removal upstream of the pump station to protect the pumps and minimize solids deposition in the pipeline will utilize the existing facilities.
F. Odor control utilizing a biofilter.
G. Surge control facilities as required by the pipe material.

Other SMD 1 WWTP site work

The Project also includes the following additional site work at the SMD 1 WWTP site:

1. Retrofit existing water bearing structures for use as emergency containment.
2. Construction of 2 new basins to provide for a total of 6 Mgal of emergency containment.
   - Basin No1 will be located on the north side of the existing plant site in the vicinity of the existing RBCs and will be constructed to include a synthetic liner to prevent percolation of raw wastewater into the ground as this basin may see periodic use during significant rainfall events.
   - Basin No. 2 will be located on the north side of the existing Plant and designed to run freely for normal rain events and closed for containment of wastewater flows during an extended Emergency operational period with contained wastewater returned to the Pump Station for export and the basin cleaned.
3. Lining of the basin as necessary to prevent sewage infiltration to underlying groundwater or the adjacent creeks.
4. Frontage, fire protection, and other improvements as required by the conditions of approval for use permits.

See Figure 1 for an approximate layout of the existing SMD 1 WWTP and the new SMD 1 Export Pump Station and related improvements.

SMD 1 Export Sewer

Overview

This pipe is 22-inch to 28-inch in diameter and extends from the SMD1 WWTP site to the Junction Structure. See Figure 2.

Project Component	Flow and Load Basis [1]		
SMD1 Pipeline [(a)]	SMD1 Service Area Build out	**Parameter**	**Value**
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	4.2
		Peak Hourly Flow, PHF	14.8

[1] Design should considered the full range of flows and loading anticipated.

Specific Improvements

The proposed SMD 1 Export Sewer design will include the following features:

A. Pipeline will be buried below finished grade in existing road rights-of-way and in appropriate easements. In-roadway excavation will be such that a minimum of 3-feet of cover from the top of pipe to finished grade will be maintained. Excavation in unpaved areas will be such that a minimum of 4-feet of cover from the top of pipe to finished grade will be maintained. Pipelines will be appropriately marked above and below grade to prevent damage from excavation. Pipe location tracer wire or other appropriate location means will be provided for all below grade piping.
B. Road sections will be restored to match existing or better conditions.
C. Air valves to be provided as necessary to prevent air binding in the pipe and as well as vacuum relief valves to protect the pipe from collapse due to the net fall in elevation from the pump station discharge point to the discharge point.
D. All air valves will be outfitted with odor scrubbers to reduce odors at air valve locations.
E. Appurtenances will be in below grade vaults.
F. Access to all valves and odor facilities will be secured from vandalism and shielded aesthetically with dull colors or otherwise camouflaged to minimize any attractive nuisance and visual impacts.
G. Pipeline extra work areas or laydown sites will be located in areas identified along the pipe alignment.

Junction Structure

Overview

This structure will facilitate the connection of a future Auburn Export Sewer with the SMD 1 Export Sewer, with odor control, and energy dissipation as necessary.

Project Component	Flow and Load Basis [1]		
Junction Structure, Joint Export Sewer	SMD1 and Auburn Service Area Build out	**Parameter**	**Value**
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	6.7
		Peak Hourly Flow, PHF	20.0

[1] Design should consider the full range of flows and loading anticipated

Specific Improvements

The proposed Junction Structure design will include the following features:

A. Site safety and security including lighting, fencing, safety showers, and eyewash systems as appropriate.
B. Access to all above and below ground facilities will be secured from vandalism.
C. Minimization as an attractive nuisance and shielded aesthetically with dull colors or otherwise camouflaged.
D. Site will be designed to provide for maintenance as may be required to all above and below ground structures with cranes, hoists, and heavy service vehicles.
E. Parking so that service vehicles will not be parked on adjacent public road.
F. Odor control utilizing an activated carbon system, other synthetic media, or biofilter.
G. Surge control facilities as may be required by the pipe material and hydraulic conditions.
H. Energy dissipation as may be required by the hydraulic conditions.

<u>Joint Export Sewer</u>

Overview

This pipe extends from Junction Structure to the Energy Dissipation Structure. See Figure 2.

Design Criteria

See table in Junction Structure above.

Specific Improvements

See SMD 1 Export Sewer above.

<u>Energy Dissipation Structure</u>

Overview

A transition structure to transition from a gravity force main hydraulic configuration to a gravity sewer, with energy dissipation and odor control

Design Criteria

See table in Junction Structure above.

Specific Improvements

See Junction Structure above. Additionally, an odor control structure will be constructed downstream.

Bickford Sewer

Overview

Construction of 150 feet of 42 inch concrete sewer pipe with t-lock liner to match existing pipeline already constructed in Highway 193 to extend the pipeline to the east of the Energy Dissipation Structure. Completion of manholes as necessary to facilitate operation of the project without inhibiting future connections as included in the Regional Sewer Pipeline design prepared by MHM Engineers, dated October 2005. If an alternate route as currently proposed is not selected or is unattainable, the Project will need to complete construction of Bickford pipeline from Energy Dissipation Structure to the end of the constructed portion (approximately 3000 ft west of the intersection of Hwy 193 and Sierra College Blvd.).

Design Criteria

The Bickford Sewer was sized to accommodate flows from Bickford Lincoln, the County, and Auburn (as well as other agencies who are no longer participating in the Project). The completion of the Bickford Sewer must maintain these design capacities.

The vertical alignment of Bickford Sewer being constructed as part of the Project will need to be such that it accommodates the gravity flow of wastewater from the Bickford subdivision.

Specific Improvements

The Project will need to complete construction of an additional 150 feet of the Bickford pipeline as designed from the end of the constructed portion (approximately 3000 ft west of the intersection of Hwy 193 and Sierra College Blvd.) to the east of the point of connection with the Energy Dissipation Structure.

Additionally, the Project will need to make any repairs to completed pipeline sections as required by the approving agency as well as final site and roadway restorations as required by those agencies responsible for those facilities.

Lincoln Sewer

Overview

Lincoln also has approximately six miles of influent sewer running from the west end of the Bickford Sewer to the WWTRF sized to serve SMD1, Auburn, Bickford and Lincoln needs.

Design Criteria

The Lincoln Sewer was sized to accommodate flows from Bickford, Lincoln, the County, and Auburn (as well as other agencies who are no longer participating in the Project).

Specific Improvements

Some odor control improvements may be necessary. The County's Portion of the Overall Lincoln – County Project Costs to be paid by SMD 1 to Lincoln includes an "oversizing reimbursement" to cover the "buy-in" cost of using the existing Lincoln Sewer which will provide peak flow capacity for current SMD 1 flows with future "oversizing reimbursements" to cover the "buy-in" cost for future connections.

Expanded Lincoln WWTRF

Overview

Lincoln has a compliant wastewater treatment and reclamation facility (WWTRF) that came online in 2004 designed to be readily expandable with space for treatment capacity to serve the City of Lincoln's General Plan and the General Plans for the SMD1 and Auburn service areas. The Lincoln WWTRF is designed to produce disinfected tertiary water, as described by Title 22 for unrestricted reuse options.

The existing WWTRF nominal capacity is 4.2 MGD average dry weather flow (ADWF). The Proposed Regional Project will expand the WWTRF capacity to 5.9 Mgal/d ADWF.

Description	ADWF (Mgal/d)	PWWFD (Mgal/d)
Existing Capacity at Lincoln WWTRF:	4.2	15.2
Proposed Regional Project Capacity Expansion at Lincoln WWTRF:	1.7	10.4
Total Proposed Capacity at Lincoln WWTRF	5.9	25.6
Current Permitted Capacity at Lincoln WWTRF	8.4	-
Capacity Available for Future Connections by All Member Agencies after Expansion	1.4	4.2

Design Criteria

Design criteria are presented below.

Project Component	Flow and Load Basis		
Treatment and Disposal	SMD1 Service Area Existing	**Parameter**	**Value**
		Design Flows, Mgal/d	
		Average Dry Weather Flow, ADWF	1.7
		Average Annual Flow, AAF	2.0
		Maximum Monthly Flow, MMF	3.6
		Maximum Daily Flow, MDF	8.4
		Peak Hourly Flow, PHF	10.4
		BOD Load, lb/d	
		Average Annual Load, AAL	4,000
		Maximum Monthly Load, MML	5,000
		TSS Load, lb/d	
		AAL	4,000
		MML	5,000
		TKN Load, lb/d	
		AAL	1,000
		MML	1,200

Specific Improvements

Many WWTRF facilities will not require upgrades (or will require only minor adjustments). Other WWTRF require unique improvements such as new land disposal facilities, but most unit treatment processes can be expanded efficiently by providing new, identical (or similar) improvements in the space provided, such as the head works, oxidation ditches and clarifiers, and other unit processes.

Lincoln WWTRF Current Capacity, Capacity Required for the Proposed Regional Project, and Capacity Remaining [a]

	Treatment Component	Pre-Project Capacity (Mgal/d) [b]	Project Added Capacity (Mgal/d)	Post-Project Capacity Remaining (Mgal/d) [c]
1	Influent Sewer [d]	14.7	0	10.2
2	Influent Pump Station	8.8 [e]	0	4.3
3	Headworks	4.4 [e]	4.4	4.3
4	Oxidation Ditch Splitter Box	8.8	0	4.3
5	Anoxic and Oxidation Basins	4.2	1.7	1.4
6	Clarifier Splitter Box	4.2 [e]	1.7	1.4
7	Secondary Clarifiers	4.2	1.7	1.4
8	Scum Pump Station	4.2	1.7	1.4
9	SC Drain Pump Station	8.8	0	3.5
10	RAS Pump Station	4.2	1.7	1.4
11	WAS Metering Station	4.2	1.7	1.4
12	Maturation Pond Pump Station	5.9 [e]	0	1.4
13	Maturation Ponds	5.9 [e]	0	1.4
14	Dissolved Air Floatation Clarifier	8	0	3.5
15	DAF Splitter Box	8 [e]	0	3.5
16	DAF Float Pump Station	8 [e]	0	3.5
17	DAF Recirculation Pump Station	8 [e]	0	3.5
18	Filter Feed Pump Station	12 [e] [f]	0	7.5 [f]
19	Filter Rapid Mix Basin	6 [g]	0	1.5 [g]
20	Filter Flocculation Basins	6 [g]	0	1.5 [g]
21	Tertiary Filters	4.2 [e] [g]	1.7	1.4
22	Filter Mud Well	12 [g]	0	7.5 [g]
23	Filter Clear Well	12 [g]	0	7.5 [g]
24	Plant Water Pump Station	12 [g]	0	7.5 [g]
25	UV Disinfection	8 [e] [g]	0	3.5 [g]
26	Reaeration Basins	8 [e] [g]	0	3.5 [g]
27	Effluent Pump Station	12 [e] [g]	0	7.5 [g]
28	Chemical Facilities	5 [g]	0.8	1.4 [g]
29	Solids Holding Facilities	6 [e]	0	1.5
30	Reclamation Booster Pump Station	10 [e] [g]	0	5.5

	Treatment Component	Pre-Project Capacity (Mgal/d) [b]	Project Added Capacity (Mgal/d)	Post-Project Capacity Remaining (Mgal/d) [c]
31	Creek Outfall	6.3 [g]	0	1.8
32	Effluent Storage (w/ Additional Disposal Land)	5.9	0	1.4
33	Disposal Land	4.2	1.7	1.4
34	Laboratory Facilities	N/A	N/A	N/A
35	Administration Facilities	N/A	N/A	N/A
36	Maintenance Facilities	N/A	N/A	N/A
37	General Site Work	6 to 12 [g]	1.7 [g]	1.4 to 6 [g]
38	Yard Piping and Appurtenances	12 [h]	0	6 [h]
39	Electrical and Instrumentation	4.2	1.7	1.4

(a) All flows are presented as approximate average dry weather flow (ADWF); refinement and adjustment possible.
(b) The structure hydraulic capacity is cited. Additional equipment, pipe, etc. may be required.
(c) Total capacity used with proposed project is equal to 1.7 Mgal/d from SMD1 and 2.8 Mgal/d from the City of Lincoln for a total project flow of 4.5 Mgal/d. Post-Project Capacity cited is equal to Pre-Project Capacity minus 4.5 Mgal/d.
(d) From existing sewer connection point along Highway 193 to the WWTRF; not the new pipeline from SMD1.
(e) Designed to be readily expandable, with knock-out walls, connecting wing-walls, etc.; may not actually include additional capacity, as indicated.
(f) Design flows downstream of the Maturation Pond are ADWF*1.7 (peak month flow) plus recycle flows.
(g) No new site work will be required for in-fill facilities; some new site work will be required for outward expansion elements.
(h) Some arterial piping and main distribution pipes are oversized. New individual facilities will require new piping.

The following sections briefly describe the improvements for each unit process at the Lincoln WWTRF for the Project. All of the improvements identified are approximate; final design may modify details, including the improvements identified below. See Figure 3 for the approximate location of these new facilities.

Influent Pump Station

While the influent pump station structure is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.

Headworks

The headworks screening serves to remove large materials such as rags from the sewage stream to protect downstream equipment and produce cleaner water and sludge. The maximum flow capacity of the existing headworks channel and screen is about 23 Mgal/d (peak flow). The Proposed Regional Project will have peak flows equal to almost 30 Mgal/d. As a result, the project will include one new headworks channel, screen, washer compactor, and flow control gates. This will occur adjacent to the existing headworks channel.

Parshall Flume

The existing headworks nested Parshall flume will also be modified to accurately measure higher flow rates.

Oxidation Ditches and Anoxic Basins

The oxidation ditch and anoxic basins work as a system with the clarifiers and RAS pump station to remove organics and nitrogen compounds from the wastewater through an activated sludge treatment technology, utilizing biological microorganisms. To provide sufficient treatment capacity, the Proposed Regional Project will include the addition of one oxidation ditch and anoxic basin, including new aeration and mixing equipment.

Secondary Clarifiers

To provide regional capacity for the separation of activated sludge from the liquid stream, the Proposed Regional Project will include one additional secondary clarifier and equipment. The clarifier splitter box will also be expanded to accommodate the additional clarifier with a new splitter chamber, gate and weir.

Return Activated Sludge (RAS) Pump Station

The RAS pump station returns biologically active sludge settled in the secondary clarifier back to the aeration and anoxic basin treatment basins. The new clarifier will require one new RAS pump station for the Proposed Regional Project, including pumps, piping, valves and appurtenances.

Scum Pump Station

The scum pump station moves scum from the surface of the secondary clarifiers and conveys it to the solids handling facilities (centrifuges with disposal to a landfill). The existing scum pump station will be configured to serve the new clarifier.

Secondary Clarifier Drain Pump Station

The purpose of the secondary clarifier drain pump station is to facilitate clarifier maintenance by allowing it to be taken off-line and drained. The Proposed Regional Project will use the existing drain pump station .

Waste Activated Sludge (WAS) Metering Station

With a continuous inflow of organics with the wastewater stream, there is continuous growth of the biologically active sludge. Some must be wasted regularly to the solids handling facility to maintain a consistent concentration in the oxidation ditch and anoxic basin for optimal treatment. The existing WAS metering station will be included in the Proposed Regional Project with modifications to facilitate the wasting process.

Dissolved Air Flotation Thickener (DAFT)

The maturation pond (not expanded with the Project) is a large basin with partially treated wastewater that grows algae in the presence of sunlight. The DAFT utilizes pressurized air (like soda carbonation) to float the algae to the water surface where it is skimmed off and disposed of with the solids handling facilities. This is necessary to avoid fouling the tertiary filters with algae. The DAFT also functions to remove algae grown in effluent stored in the TSB prior to delivery for reuse. With the higher flows from a regional project, additional DAFT units are not required the reason for this is that high sewer flows occur during the winter, but there is no algae production at this time.

Filter Feed Pump Station

With higher flows, the Project will expand the filter feed pump station which conveys flows from the DAFT to the filters for further treatment. The pump station expansion will include one additional pump, valves and pipe in the existing wet well structure.

Filter Facilities

The filtration process removes small particulate matter that remains in the wastewater prior to disinfection. With higher flows, additional filter cells are required. The proposed project includes two new sand filter cells with under drains and associated piping and control valves.

Chemical Facilities

The chemical feed facilities include provisions for pH control, on-site system disinfection and coagulants used in the flocculation basin and solids handling processes. To accommodate the Project flows, the chemical facilities will be modified to include larger chemical feed pumps to increase the dosing range and larger chemical storage tanks to limit the frequency between material deliveries.

Solids Handling Facilities

The polymer feed system injects polymer into the waste solids to facilitate the dewatering process by binding the solids together, making the solid/water separation more efficient. The existing solids holding tank, sludge pumps, centrifuge and building are sufficient to meet the needs of the proposed Regional Project. However, polymer feed improvements are necessary to limit the frequency of material deliveries with increased use of the dewatering facilities. These are included with the Project.

Effluent Pump Station

While the low head effluent pump station (for flood irrigation and creek discharge) structure (wet well) is sized for 12.6 MGD, one new pump, piping, and valves will be constructed for the Project to provide the required additional pumping capacity.

Effluent Disposal Improvements

The Project includes piping west on East Catlett Road from a new connection to an existing 24-inch force main in Fiddyment Road. The pipe will provide irrigation water (effluent disposal) to approximately 1,000 acres of land used to grow fodder crops. The pipe will be constructed in the East Catlett roadway and will connect to existing farmer irrigation systems.

The Project includes coordination with the farmer to provide the required improvements for compliance with all water reuse laws as applicable, including run-off containment ditches, berms recapture basins, seasonal run-off control gates, groundwater monitoring wells and separation from potable water wells. A metering and control station will also be included at points of connection as required to meter and control the flow of water, as well as prevent backflow into the transmission main.

Booster Pump Station

The existing high head booster pump station (for sprinkler application of reclaimed water) structure (wet well) that will supply new off-site land disposal improvements is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.

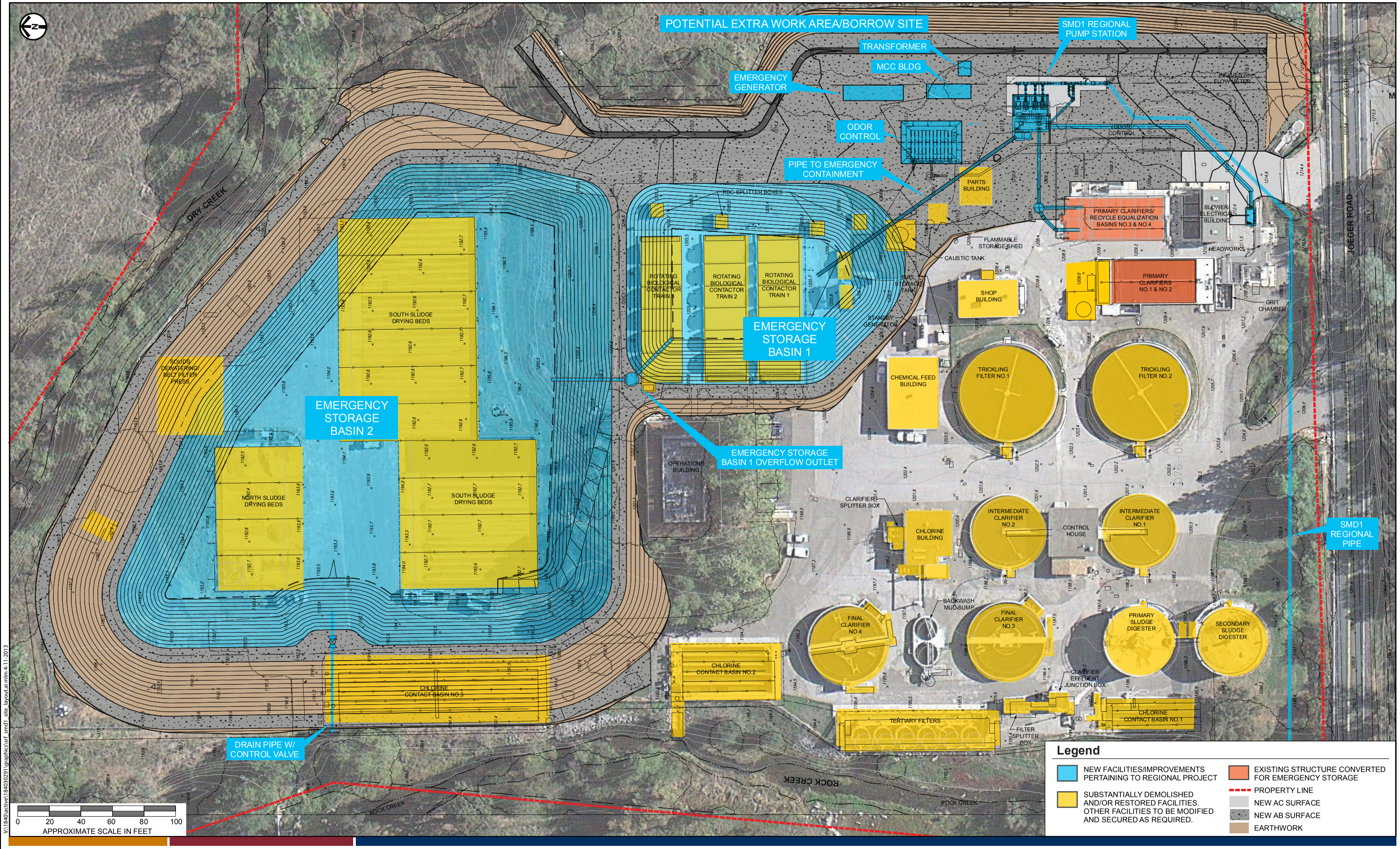


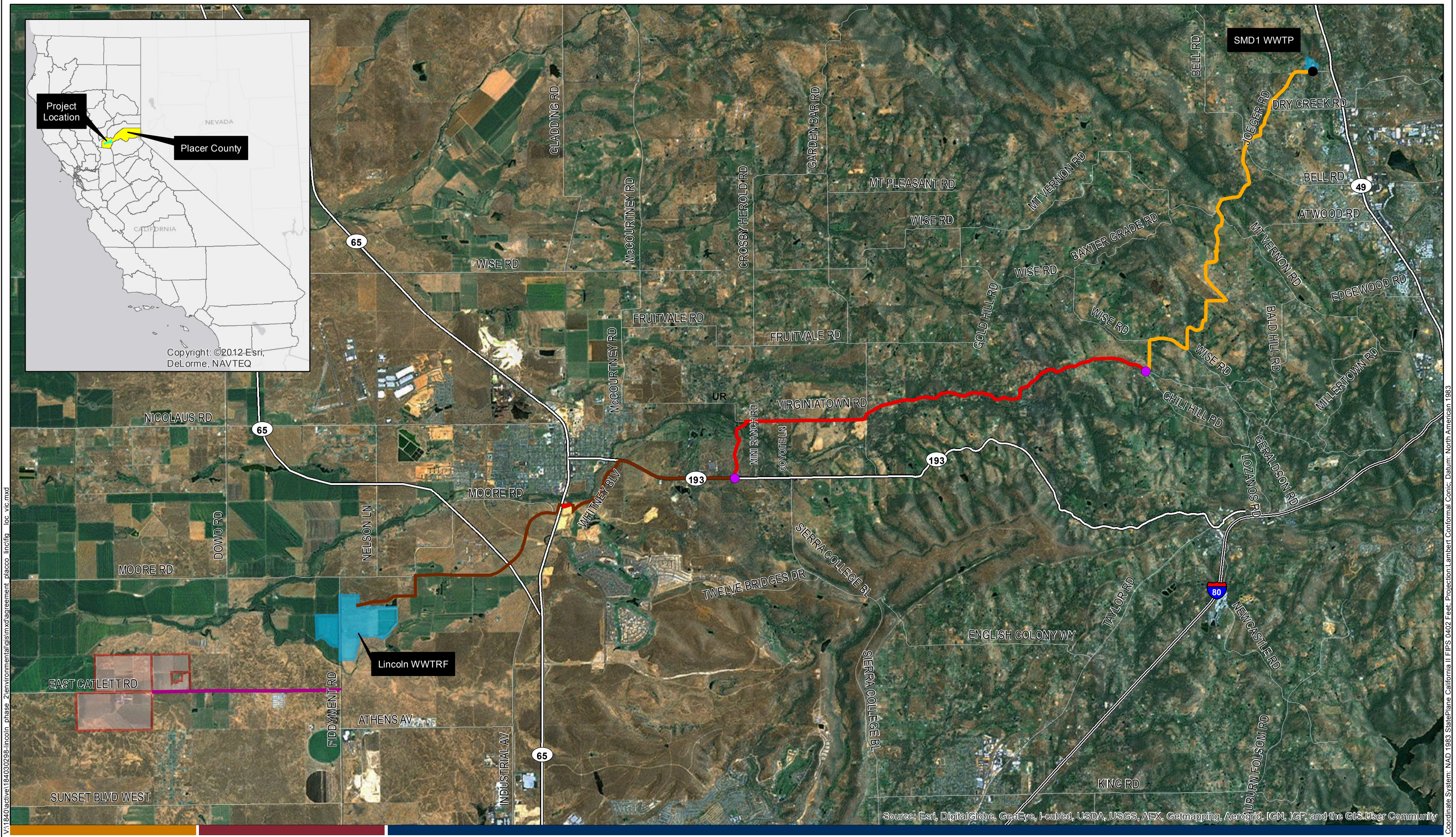
Figure 1

Layout of Existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and Improvements

Stantec

Original Printed in Color

Midwestern Placer Regional Sewer Project



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Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet, Projection:Lambert Conformal Conic, Datum: North American 1983

Figure 2

Stantec

0 2 Miles

1 inch = 6,125 feet

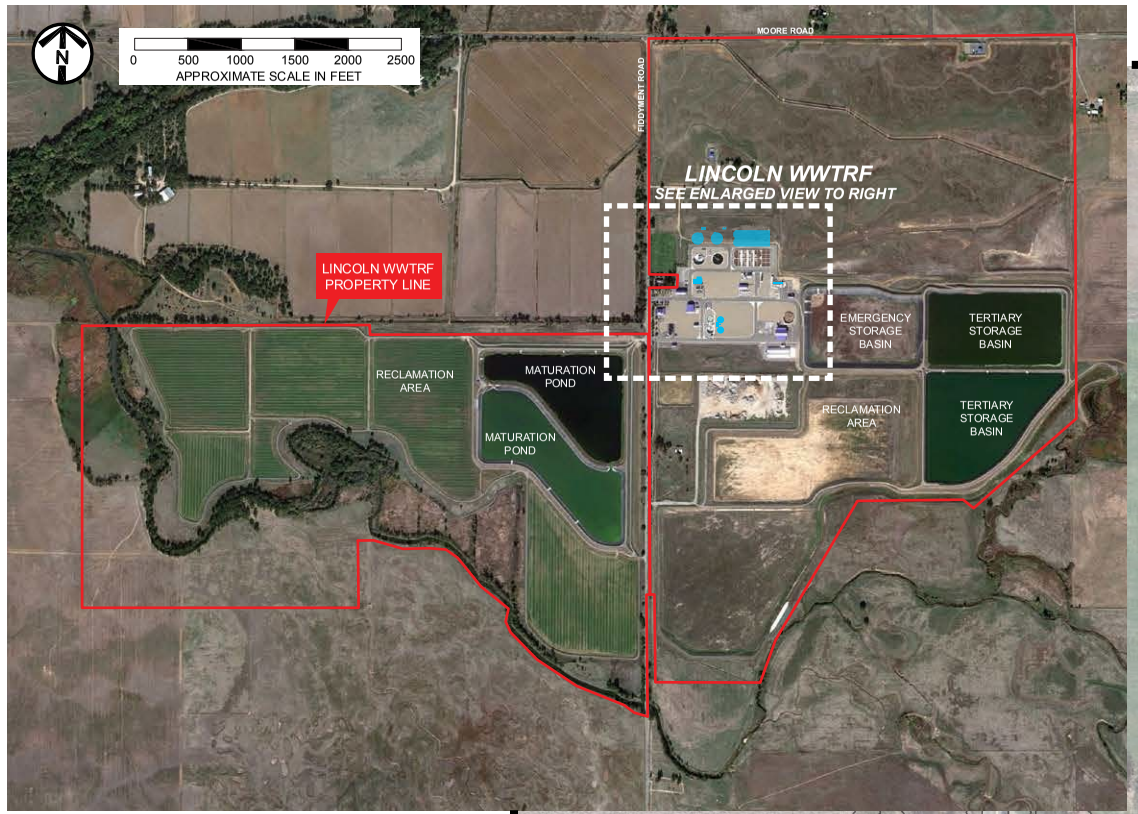
- Pump Stations
- Proposed and Alternative Pipe Junction
- Common Preferred Alignment
- Lincoln Effluent Pipeline Preferred Alignment
- Lincoln Sewer Existing Alignment
- SMD1 Preferred Alignment
- Preferred Potential Effluent Reclamation Area
- Wastewater Treatment Facility

Project: 184030298; Sources: Stantec 2012, ECO:LOGIC 2008, ESRI 2011, Placer County GIS 2012, City of Lincoln GIS 2012; Created By: K.Clyma; Updated: 8/28/2013

Original Printed in Color

Location and Vicinity

Midwestern Placer Regional Sewer Project



LINCOLN WWTRF

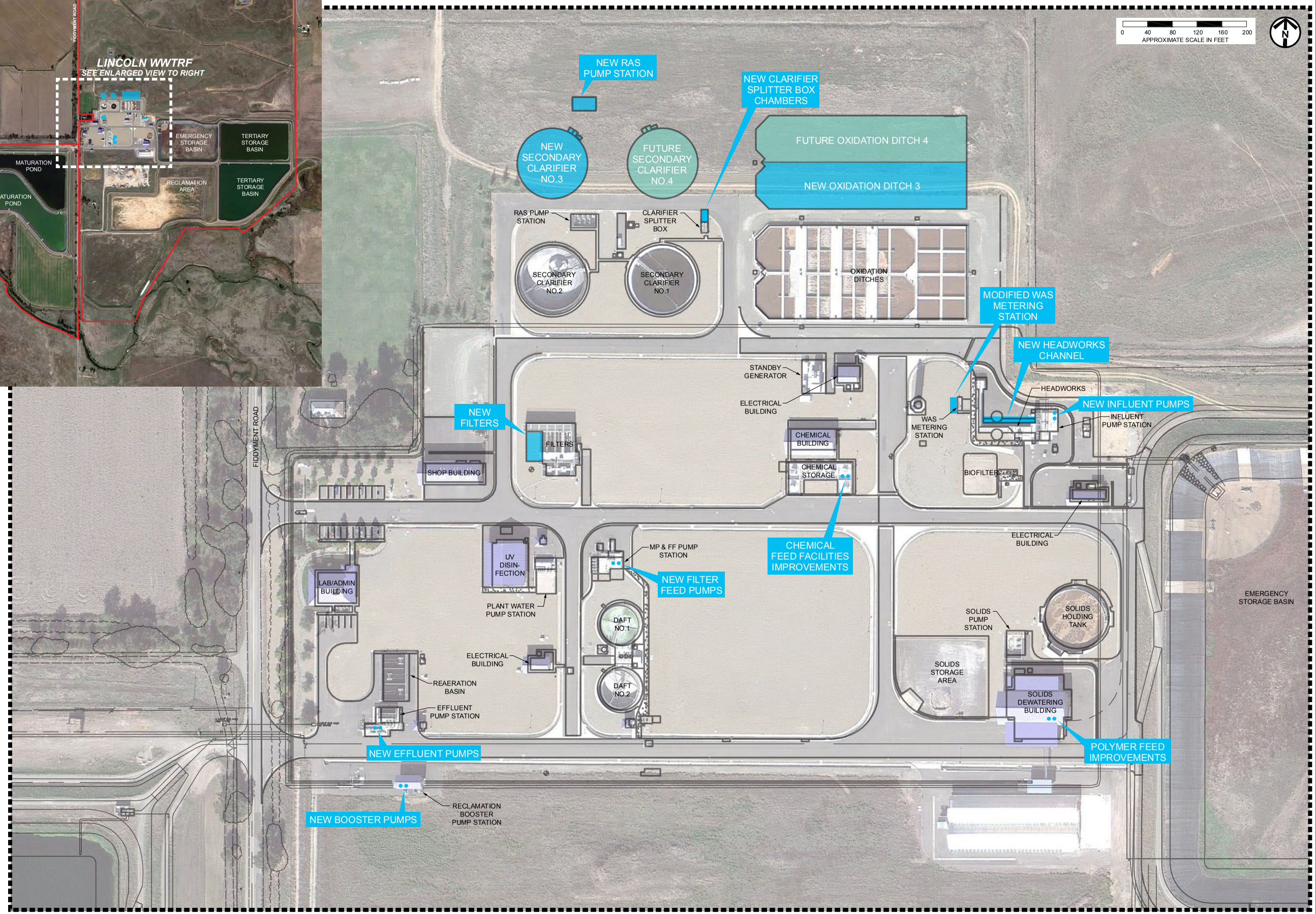


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Figure 3

Layout of Existing and Proposed Regional Project Improvements at the Lincoln WWTRF

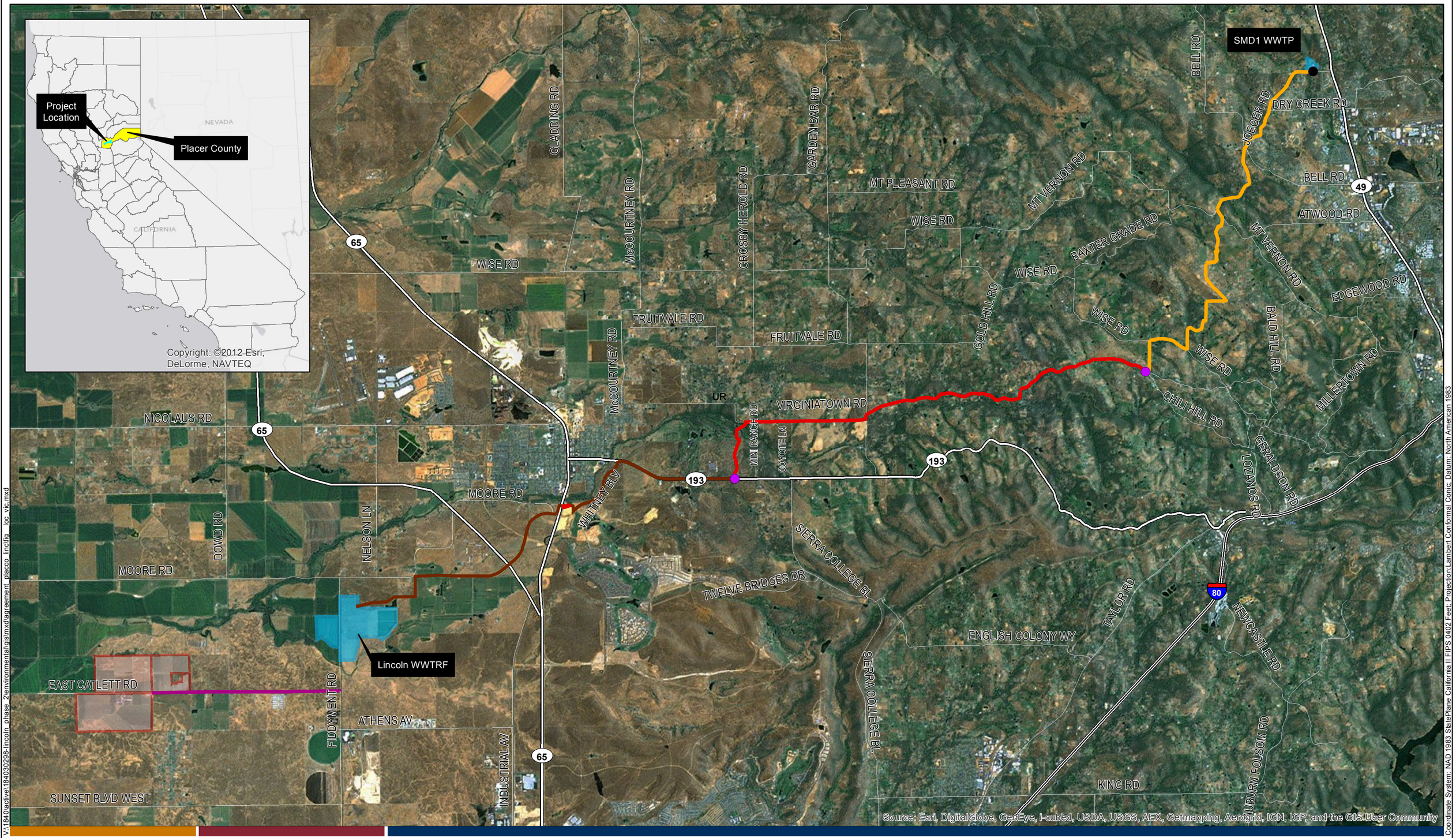
Stantec

Original Printed in Color

Midwestern Placer Regional Sewer Project

EXHIBIT 2 – APPROVED RIGHT OF WAY ROUTE

See attached.



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Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet Projection:Lambert Conformal Conic Datum: North American 1983

N

0 Stantec 2 Miles

1 inch = 6,125 feet

- Pump Stations
- Proposed and Alternative Pipe Junction
- Common Preferred Alignment
- Lincoln Effluent Pipeline Preferred Alignment
- Lincoln Sewer Existing Alignment
- SMD1 Preferred Alignment
- Preferred Potential Effluent Reclamation Area
- Wastewater Treatment Facility

Location and Vicinity

Midwestern Placer Regional Sewer Project

Original Printed in Color

Project: 184030298; Sources: Stantec 2012, ECO:LOGIC 2008, ESRI 2011, Placer County GIS 2012, City of Lincoln GIS 2012; Created By: K.Clyma; Updated: 8/28/2013

EXHIBIT 3 – APPROVED DESIGN

The approved design of the Lincoln-County Project is identified by the Contract Drawings and Specifications as defined for the three project components noted below with the original issue for advertisement dates and subsequent addenda:

1. The following items referenced in the Midwestern Placer Regional Sewer Project Invitation to Bid, issued in the Sacramento Bee's legal notice section on July 17 and July 24, 2013, for the Regional and Reclamation Pipelines:

   a. Specifications: Volume 1A and 1B - issued 7/17/2013

   b. Drawings: Volume 2A - issued 7/17/2013

   c. Addendum No. 1 - issued 7/19/2013

   d. Addendum No. 2 - issued 8/7/2013

   e. Addendum No. 3 - issued 8/19/2013

2. The following items referenced in the Midwestern Placer Regional Sewer Project Invitation to Bid, issued in the Sacramento Bee's legal notice section on July 17 and July 24, 2013, for the Sewer Maintenance District No 1 (SMD1) Sewer Conveyance Pump Station:

   a. Specifications: Volume 1A and 1B - issued 7/17/2013

   b. Drawings: Volume 2A - issued 7/17/2013

   c. Addendum No. 1 - issued 8/23/2013

3. The following items referenced in the Midwestern Placer Regional Sewer Project Invitation to Bid, issued in the Sacramento Bee's legal notice section on July 17 and July 24, 2013, for the City of Lincoln Wastewater Treatment and Reclamation Facility

   a. Specifications: Volume 1A and 1B - issued 7/17/2013

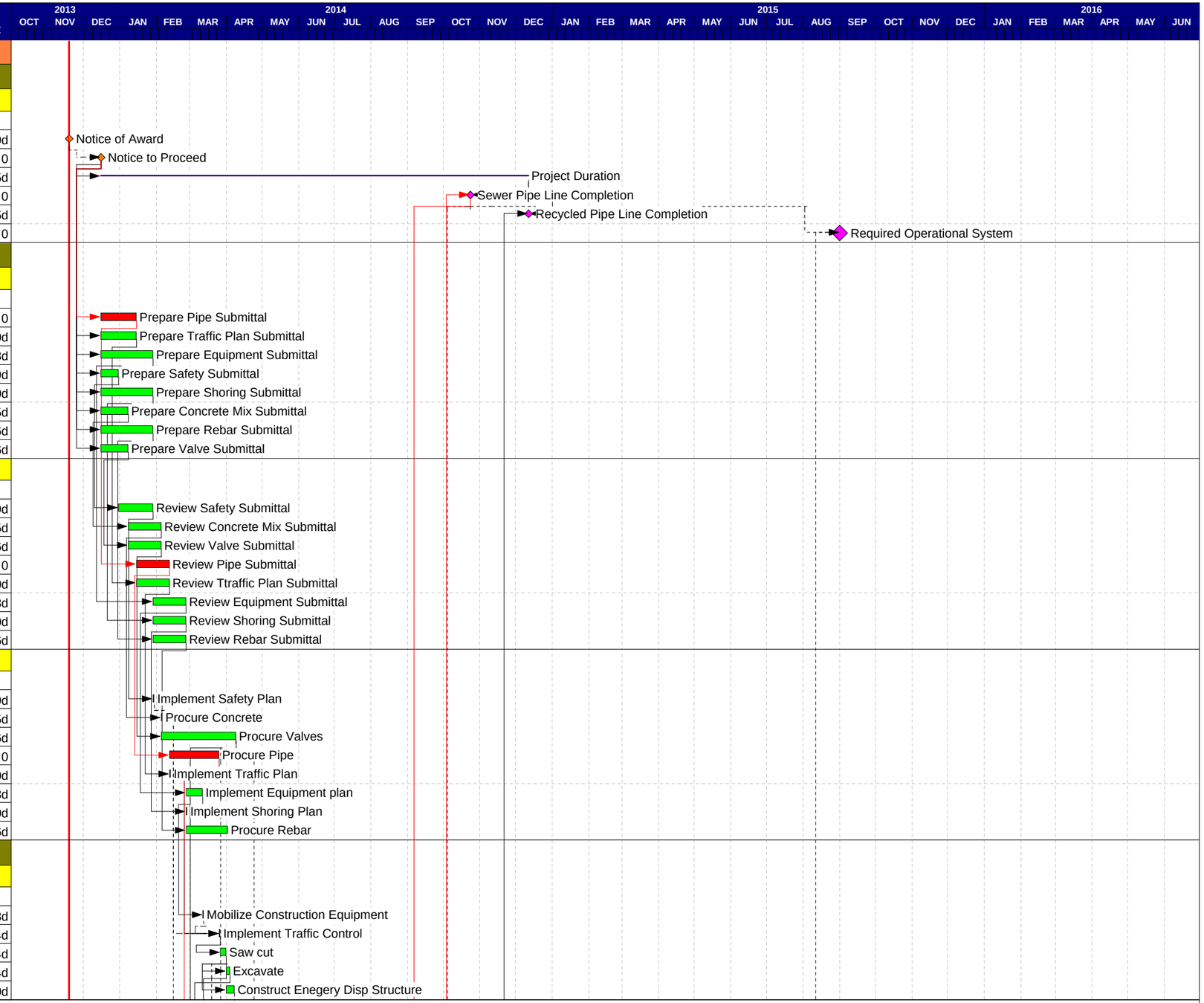
   b. Drawings: Volume 2A - issued 7/17/2013

   c. Addendum No. 1 - issued 8/30/2013

EXHIBIT 4 – PROJECT SCHEDULE

See attached.

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
Pipe Line					
Administrative					
PL1001	Notice of Award	0	NOV-19-13		19d
PL1000	Notice to Proceed	0	DEC-16-13		0
PL1010	Project Duration	256 *	DEC-16-13	DEC-11-14	185d
PL1025	Sewer Pipe Line Completion	0		OCT-23-14	0
PL1020	Recycled Pipe Line Completion	0		DEC-11-14	185d
PL1035	Required Operational System	0		AUG-31-15	0
Submittals					
Prepare					
PL1030	Prepare Pipe Submittal	20	DEC-16-13	JAN-14-14	0
PL1060	Prepare Traffic Plan Submittal	20	DEC-16-13	JAN-14-14	400d
PL1090	Prepare Equipment Submittal	30	DEC-16-13	JAN-28-14	243d
PL1120	Prepare Safety Submittal	10	DEC-16-13	DEC-30-13	39d
PL1150	Prepare Shoring Submittal	30	DEC-16-13	JAN-28-14	390d
PL1180	Prepare Concrete Mix Submittal	15	DEC-16-13	JAN-07-14	405d
PL1210	Prepare Rebar Submittal	30	DEC-16-13	JAN-28-14	366d
PL1240	Prepare Valve Submittal	15	DEC-16-13	JAN-07-14	336d
Review					
PL1130	Review Safety Submittal	20	DEC-31-13	JAN-28-14	39d
PL1190	Review Concrete Mix Submittal	20	JAN-08-14	FEB-04-14	405d
PL1250	Review Valve Submittal	20	JAN-08-14	FEB-04-14	336d
PL1040	Review Pipe Submittal	20	JAN-15-14	FEB-11-14	0
PL1070	Review Ttraffic Plan Submittal	20	JAN-15-14	FEB-11-14	400d
PL1100	Review Equipment Submittal	20	JAN-29-14	FEB-25-14	243d
PL1160	Review Shoring Submittal	20	JAN-29-14	FEB-25-14	390d
PL1220	Review Rebar Submittal	20	JAN-29-14	FEB-25-14	366d
Procure					
PL1140	Implement Safety Plan	1	JAN-29-14	JAN-29-14	39d
PL1200	Procure Concrete	1	FEB-05-14	FEB-05-14	405d
PL1260	Procure Valves	45	FEB-05-14	APR-08-14	336d
PL1050	Procure Pipe	30	FEB-12-14	MAR-25-14	0
PL1080	Implement Traffic Plan	1	FEB-12-14	FEB-12-14	400d
PL1110	Implement Equipment plan	10	FEB-26-14	MAR-11-14	243d
PL1170	Implement Shoring Plan	1	FEB-26-14	FEB-26-14	390d
PL1230	Procure Rebar	25	FEB-26-14	APR-01-14	366d
Construction					
Reach 1 Virginiatown Road (10+00 - 261+42.90)					
Station 10+00 - 19+00					
PL1015	Mobilize Construction Equipment	1	MAR-12-14	MAR-12-14	243d
PL2000	Implement Traffic Control	1	MAR-26-14	MAR-26-14	234d
PL2010	Saw cut	3	MAR-27-14	MAR-31-14	234d
PL2020	Excavate	3	APR-01-14	APR-03-14	234d
PL2080	Construct Enegery Disp Structure	5	APR-01-14	APR-07-14	360d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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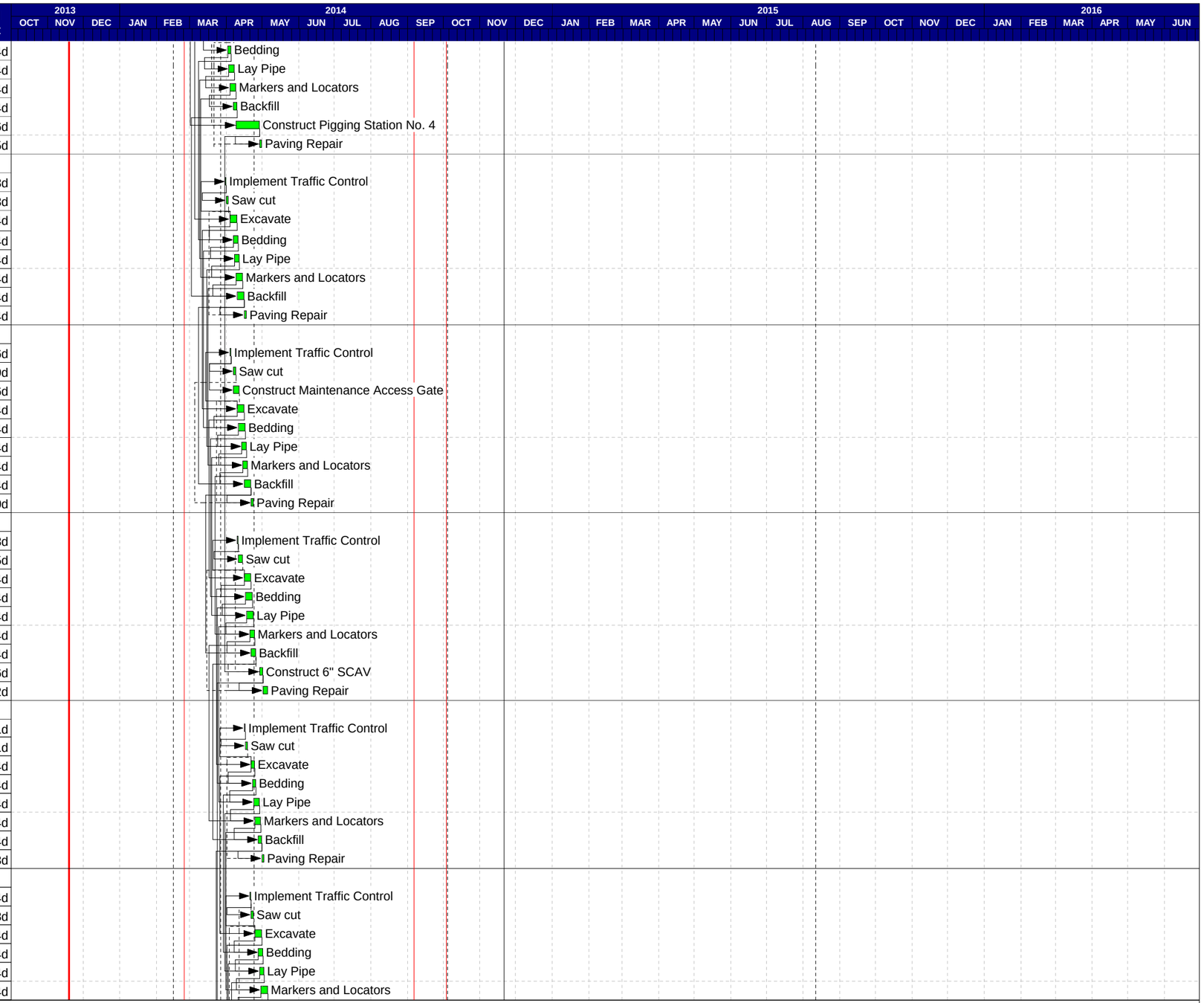
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL2030	Bedding	3	APR-02-14	APR-04-14	234d
PL2040	Lay Pipe	3	APR-03-14	APR-07-14	234d
PL2050	Markers and Locators	3	APR-04-14	APR-08-14	234d
PL2060	Backfill	3	APR-07-14	APR-09-14	234d
PL2090	Construct Pigging Station No. 4	14	APR-09-14	APR-28-14	336d
PL2070	Paving Repair	2	APR-29-14	APR-30-14	345d
Station 19+00 - 30+00					
PL2100	Implement Traffic Control	1	MAR-31-14	MAR-31-14	363d
PL2110	Saw cut	2	APR-01-14	APR-02-14	363d
PL2120	Excavate	4	APR-04-14	APR-09-14	234d
PL2130	Bedding	4	APR-07-14	APR-10-14	234d
PL2140	Lay Pipe	4	APR-08-14	APR-11-14	234d
PL2150	Markers and Locators	4	APR-09-14	APR-14-14	234d
PL2160	Backfill	4	APR-10-14	APR-15-14	234d
PL2170	Paving Repair	2	APR-16-14	APR-17-14	354d
Station 30+00 - 41+00					
PL2200	Implement Traffic Control	1	APR-04-14	APR-04-14	356d
PL2210	Saw cut	2	APR-07-14	APR-08-14	359d
PL2280	Construct Maintenance Access Gate	5	APR-07-14	APR-11-14	356d
PL2220	Excavate	4	APR-10-14	APR-15-14	234d
PL2230	Bedding	4	APR-11-14	APR-16-14	234d
PL2240	Lay Pipe	4	APR-14-14	APR-17-14	234d
PL2250	Markers and Locators	4	APR-15-14	APR-18-14	234d
PL2260	Backfill	4	APR-16-14	APR-21-14	234d
PL2270	Paving Repair	2	APR-22-14	APR-23-14	350d
Station 41+00 - 52+00					
PL2300	Implement Traffic Control	1	APR-10-14	APR-10-14	348d
PL2310	Saw cut	2	APR-11-14	APR-14-14	355d
PL2320	Excavate	4	APR-16-14	APR-21-14	234d
PL2330	Bedding	4	APR-17-14	APR-22-14	234d
PL2340	Lay Pipe	4	APR-18-14	APR-23-14	234d
PL2350	Markers and Locators	4	APR-21-14	APR-24-14	234d
PL2360	Backfill	4	APR-22-14	APR-25-14	234d
PL2380	Construct 6" SCAV	3	APR-29-14	MAY-01-14	336d
PL2370	Paving Repair	2	MAY-02-14	MAY-05-14	342d
Station 52+00 - 63+00					
PL2400	Implement Traffic Control	1	APR-16-14	APR-16-14	351d
PL2410	Saw cut	2	APR-17-14	APR-18-14	351d
PL2420	Excavate	3	APR-22-14	APR-24-14	234d
PL2430	Bedding	3	APR-23-14	APR-25-14	234d
PL2440	Lay Pipe	3	APR-24-14	APR-28-14	234d
PL2450	Markers and Locators	3	APR-25-14	APR-29-14	234d
PL2460	Backfill	3	APR-28-14	APR-30-14	234d
PL2470	Paving Repair	2	MAY-01-14	MAY-02-14	343d
Station 63+00 - 74+00					
PL2500	Implement Traffic Control	1	APR-21-14	APR-21-14	344d
PL2510	Saw cut	2	APR-22-14	APR-23-14	348d
PL2520	Excavate	4	APR-25-14	APR-30-14	234d
PL2530	Bedding	4	APR-28-14	MAY-01-14	234d
PL2540	Lay Pipe	4	APR-29-14	MAY-02-14	234d
PL2550	Markers and Locators	4	APR-30-14	MAY-05-14	234d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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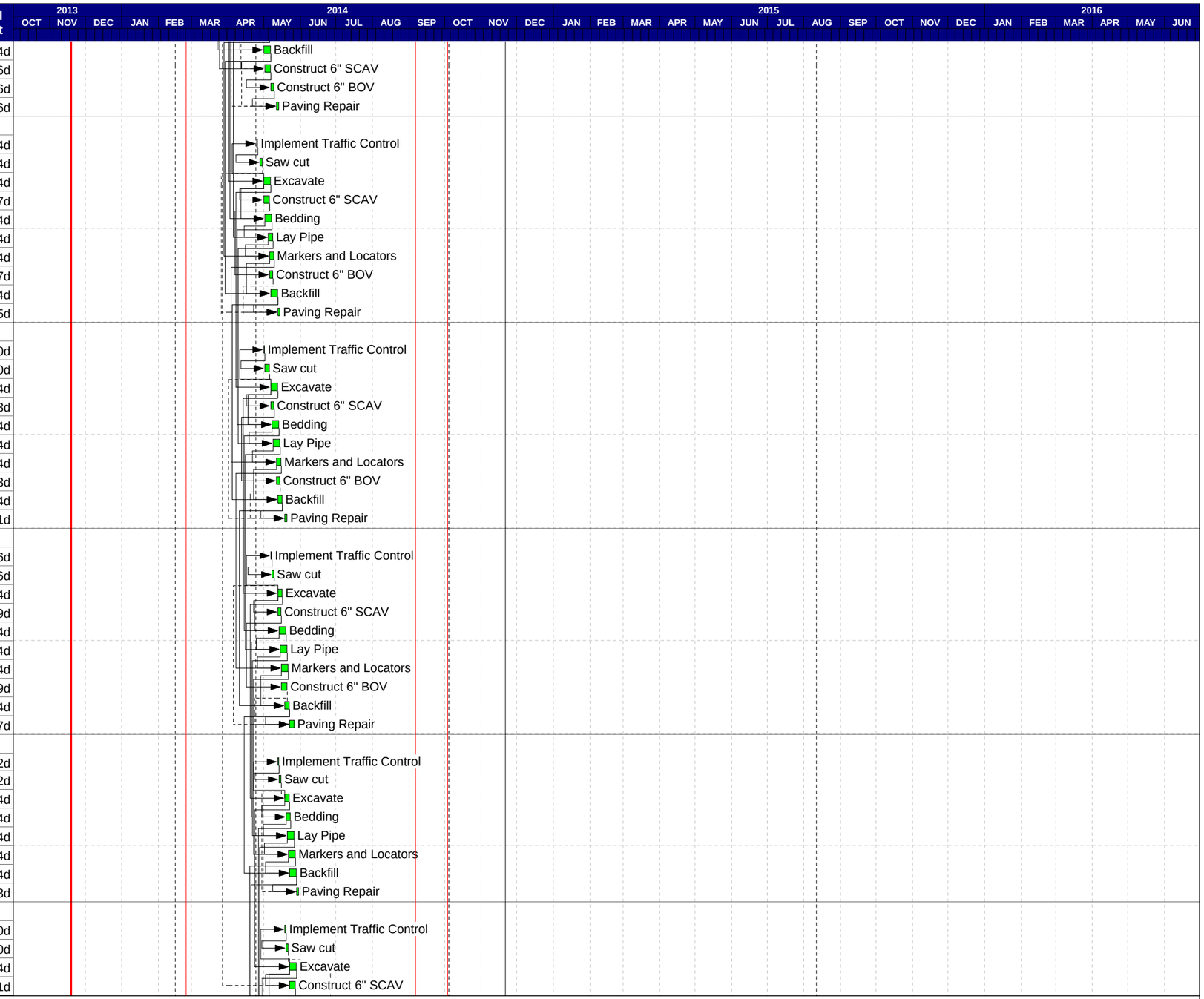
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL2560	Backfill	4	MAY-01-14	MAY-06-14	234d
PL2580	Construct 6" SCAV	3	MAY-02-14	MAY-06-14	336d
PL2590	Construct 6" BOV	3	MAY-07-14	MAY-09-14	336d
PL2570	Paving Repair	2	MAY-12-14	MAY-13-14	336d
Station 74+00 - 85+00					
PL2600	Implement Traffic Control	1	APR-25-14	APR-25-14	344d
PL2610	Saw cut	2	APR-28-14	APR-29-14	344d
PL2620	Excavate	4	MAY-01-14	MAY-06-14	234d
PL2680	Construct 6" SCAV	3	MAY-01-14	MAY-05-14	337d
PL2630	Bedding	4	MAY-02-14	MAY-07-14	234d
PL2640	Lay Pipe	4	MAY-05-14	MAY-08-14	234d
PL2650	Markers and Locators	4	MAY-06-14	MAY-09-14	234d
PL2690	Construct 6" BOV	3	MAY-06-14	MAY-08-14	337d
PL2660	Backfill	4	MAY-07-14	MAY-12-14	234d
PL2670	Paving Repair	2	MAY-13-14	MAY-14-14	335d
Station 85+00 - 96+00					
PL2700	Implement Traffic Control	1	MAY-01-14	MAY-01-14	340d
PL2710	Saw cut	2	MAY-02-14	MAY-05-14	340d
PL2720	Excavate	4	MAY-07-14	MAY-12-14	234d
PL2780	Construct 6" SCAV	3	MAY-07-14	MAY-09-14	333d
PL2730	Bedding	4	MAY-08-14	MAY-13-14	234d
PL2740	Lay Pipe	4	MAY-09-14	MAY-14-14	234d
PL2750	Markers and Locators	4	MAY-12-14	MAY-15-14	234d
PL2790	Construct 6" BOV	3	MAY-12-14	MAY-14-14	333d
PL2760	Backfill	4	MAY-13-14	MAY-16-14	234d
PL2770	Paving Repair	2	MAY-19-14	MAY-20-14	331d
Station 96+00 - 107+00					
PL2800	Implement Traffic Control	1	MAY-07-14	MAY-07-14	336d
PL2810	Saw cut	2	MAY-08-14	MAY-09-14	336d
PL2820	Excavate	4	MAY-13-14	MAY-16-14	234d
PL2880	Construct 6" SCAV	3	MAY-13-14	MAY-15-14	329d
PL2830	Bedding	4	MAY-14-14	MAY-19-14	234d
PL2840	Lay Pipe	4	MAY-15-14	MAY-20-14	234d
PL2850	Markers and Locators	4	MAY-16-14	MAY-21-14	234d
PL2890	Construct 6" BOV	3	MAY-16-14	MAY-20-14	329d
PL2860	Backfill	4	MAY-19-14	MAY-22-14	234d
PL2870	Paving Repair	2	MAY-23-14	MAY-26-14	327d
Station 107+00 - 118+00					
PL2900	Implement Traffic Control	1	MAY-13-14	MAY-13-14	332d
PL2910	Saw cut	2	MAY-14-14	MAY-15-14	332d
PL2920	Excavate	4	MAY-19-14	MAY-22-14	234d
PL2930	Bedding	4	MAY-20-14	MAY-23-14	234d
PL2940	Lay Pipe	4	MAY-21-14	MAY-26-14	234d
PL2950	Markers and Locators	4	MAY-22-14	MAY-27-14	234d
PL2960	Backfill	4	MAY-23-14	MAY-28-14	234d
PL2970	Paving Repair	2	MAY-29-14	MAY-30-14	323d
Station 118+00 - 129+00					
PL3000	Implement Traffic Control	1	MAY-19-14	MAY-19-14	330d
PL3010	Saw cut	2	MAY-20-14	MAY-21-14	330d
PL3020	Excavate	4	MAY-23-14	MAY-28-14	234d
PL3080	Construct 6" SCAV	3	MAY-23-14	MAY-27-14	321d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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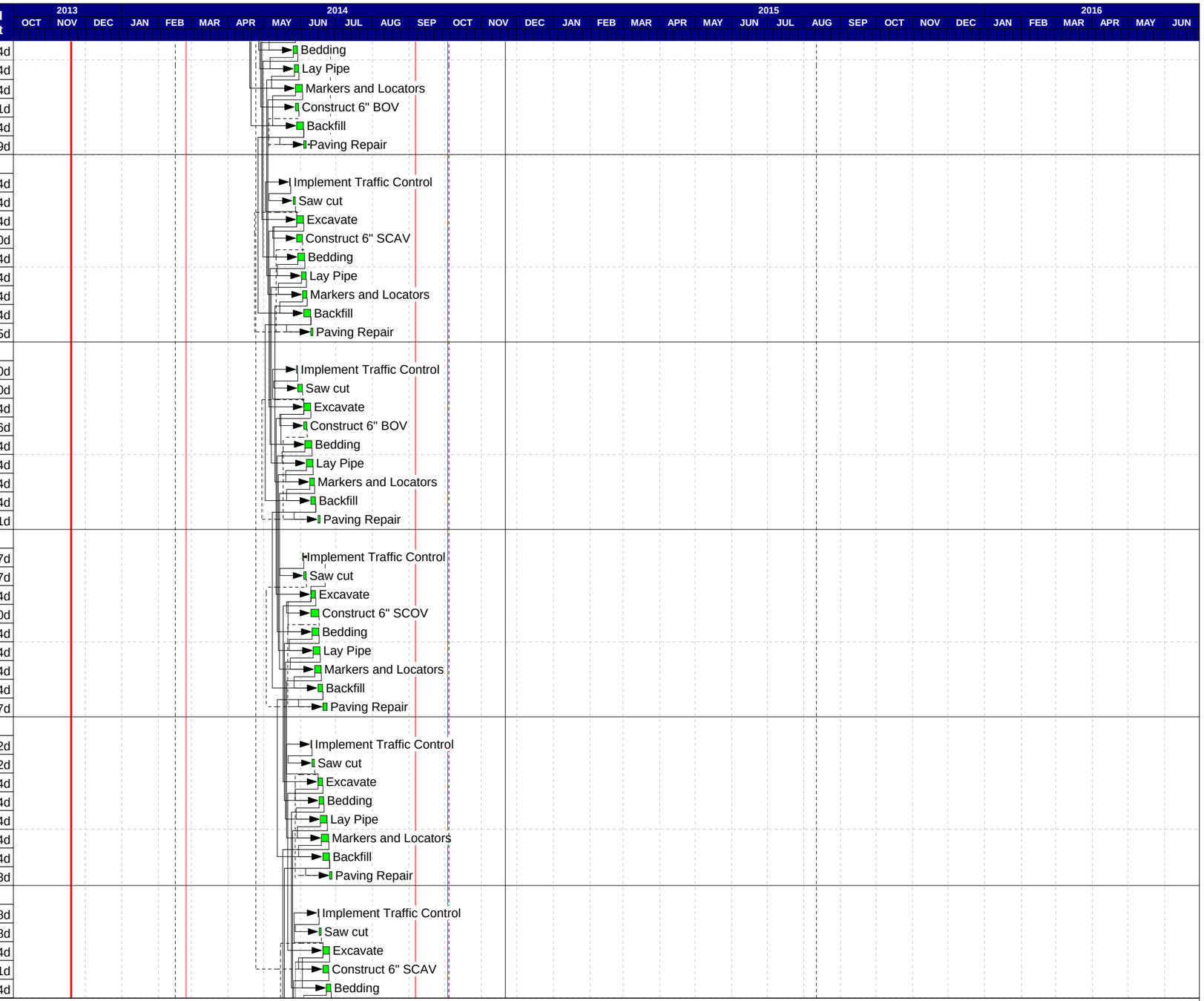
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL3030	Bedding	4	MAY-26-14	MAY-29-14	234d
PL3040	Lay Pipe	4	MAY-27-14	MAY-30-14	234d
PL3050	Markers and Locators	4	MAY-28-14	JUN-02-14	234d
PL3090	Construct 6" BOV	3	MAY-28-14	MAY-30-14	321d
PL3060	Backfill	4	MAY-29-14	JUN-03-14	234d
PL3070	Paving Repair	2	JUN-04-14	JUN-05-14	319d
Station 129+00 - 140+00					
PL3100	Implement Traffic Control	1	MAY-23-14	MAY-23-14	324d
PL3110	Saw cut	2	MAY-26-14	MAY-27-14	324d
PL3120	Excavate	4	MAY-29-14	JUN-03-14	234d
PL3180	Construct 6" SCAV	3	MAY-29-14	JUN-02-14	320d
PL3130	Bedding	4	MAY-30-14	JUN-04-14	234d
PL3140	Lay Pipe	4	JUN-02-14	JUN-05-14	234d
PL3150	Markers and Locators	4	JUN-03-14	JUN-06-14	234d
PL3160	Backfill	4	JUN-04-14	JUN-09-14	234d
PL3170	Paving Repair	2	JUN-10-14	JUN-11-14	315d
Station 140+00 - 151+00					
PL3200	Implement Traffic Control	1	MAY-29-14	MAY-29-14	320d
PL3210	Saw cut	2	MAY-30-14	JUN-02-14	320d
PL3220	Excavate	4	JUN-04-14	JUN-09-14	234d
PL3280	Construct 6" BOV	3	JUN-04-14	JUN-06-14	316d
PL3230	Bedding	4	JUN-05-14	JUN-10-14	234d
PL3240	Lay Pipe	4	JUN-06-14	JUN-11-14	234d
PL3250	Markers and Locators	4	JUN-09-14	JUN-12-14	234d
PL3260	Backfill	4	JUN-10-14	JUN-13-14	234d
PL3270	Paving Repair	2	JUN-16-14	JUN-17-14	311d
Station 151+00 - 162+00					
PL3300	Implement Traffic Control	1	JUN-03-14	JUN-03-14	317d
PL3310	Saw cut	2	JUN-04-14	JUN-05-14	317d
PL3320	Excavate	4	JUN-10-14	JUN-13-14	234d
PL3380	Construct 6" SCOV	5	JUN-10-14	JUN-16-14	310d
PL3330	Bedding	4	JUN-11-14	JUN-16-14	234d
PL3340	Lay Pipe	4	JUN-12-14	JUN-17-14	234d
PL3350	Markers and Locators	4	JUN-13-14	JUN-18-14	234d
PL3360	Backfill	4	JUN-16-14	JUN-19-14	234d
PL3370	Paving Repair	2	JUN-20-14	JUN-23-14	307d
Station 162+00 - 173+00					
PL3400	Implement Traffic Control	1	JUN-10-14	JUN-10-14	312d
PL3410	Saw cut	2	JUN-11-14	JUN-12-14	312d
PL3420	Excavate	4	JUN-16-14	JUN-19-14	234d
PL3430	Bedding	4	JUN-17-14	JUN-20-14	234d
PL3440	Lay Pipe	4	JUN-18-14	JUN-23-14	234d
PL3450	Markers and Locators	4	JUN-19-14	JUN-24-14	234d
PL3460	Backfill	4	JUN-20-14	JUN-25-14	234d
PL3470	Paving Repair	2	JUN-26-14	JUN-27-14	303d
Station 173+00 - 184+00					
PL3500	Implement Traffic Control	1	JUN-16-14	JUN-16-14	308d
PL3510	Saw cut	2	JUN-17-14	JUN-18-14	308d
PL3520	Excavate	4	JUN-20-14	JUN-25-14	234d
PL3580	Construct 6" SCAV	3	JUN-20-14	JUN-24-14	301d
PL3530	Bedding	4	JUN-23-14	JUN-26-14	234d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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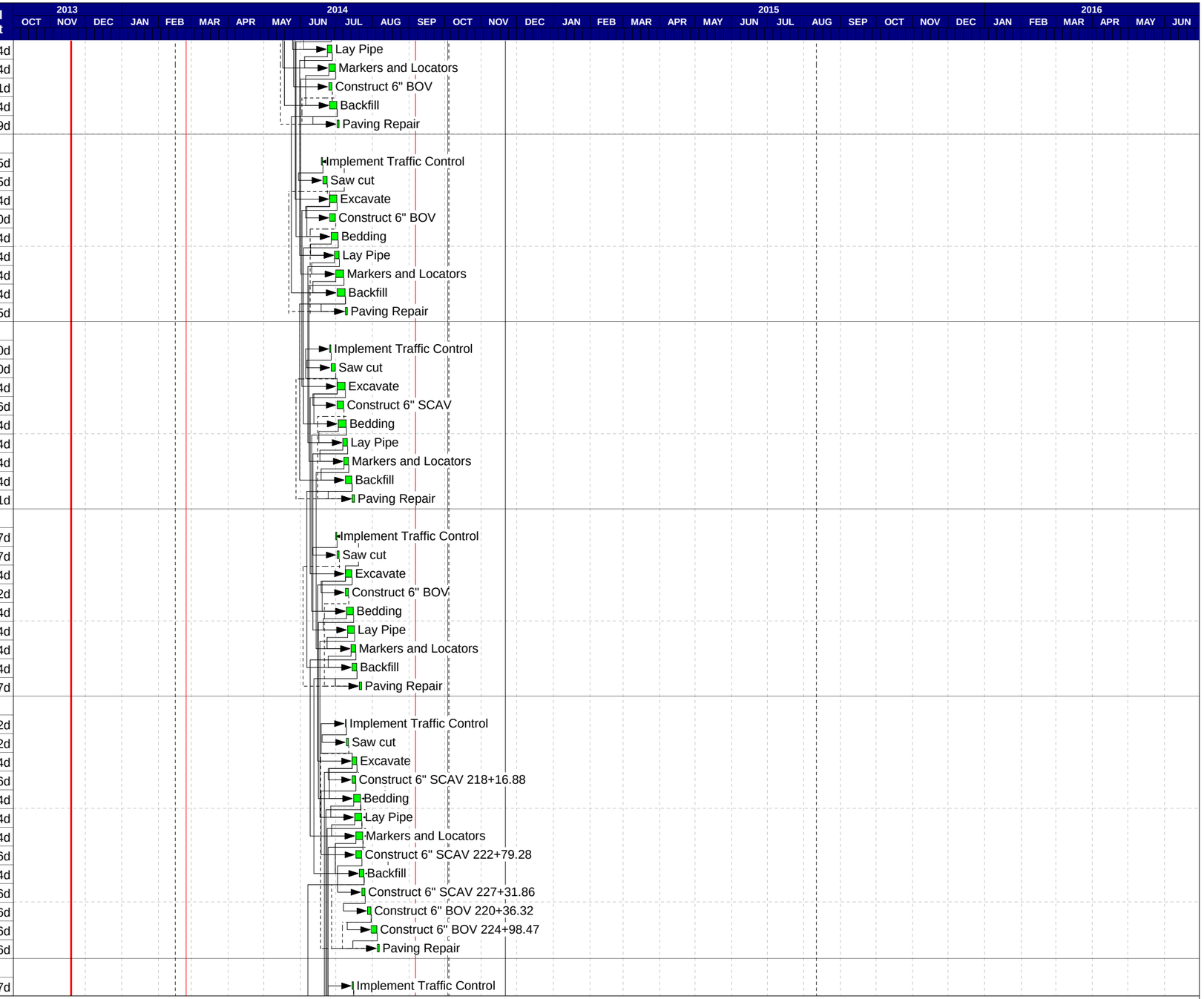
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL3540	Lay Pipe	4	JUN-24-14	JUN-27-14	234d
PL3550	Markers and Locators	4	JUN-25-14	JUN-30-14	234d
PL3590	Construct 6" BOV	3	JUN-25-14	JUN-27-14	301d
PL3560	Backfill	4	JUN-26-14	JUL-01-14	234d
PL3570	Paving Repair	2	JUL-02-14	JUL-03-14	299d
Station 184+00 - 195+00					
PL3600	Implement Traffic Control	1	JUN-19-14	JUN-19-14	305d
PL3610	Saw cut	2	JUN-20-14	JUN-23-14	305d
PL3620	Excavate	4	JUN-26-14	JUL-01-14	234d
PL3680	Construct 6" BOV	3	JUN-26-14	JUN-30-14	300d
PL3630	Bedding	4	JUN-27-14	JUL-02-14	234d
PL3640	Lay Pipe	4	JUN-30-14	JUL-03-14	234d
PL3650	Markers and Locators	4	JUL-01-14	JUL-07-14	234d
PL3660	Backfill	4	JUL-02-14	JUL-08-14	234d
PL3670	Paving Repair	2	JUL-09-14	JUL-10-14	295d
Station 195+00 - 206+00					
PL3700	Implement Traffic Control	1	JUN-26-14	JUN-26-14	300d
PL3710	Saw cut	2	JUN-27-14	JUN-30-14	300d
PL3720	Excavate	4	JUL-02-14	JUL-08-14	234d
PL3780	Construct 6" SCAV	3	JUL-02-14	JUL-07-14	296d
PL3730	Bedding	4	JUL-03-14	JUL-09-14	234d
PL3740	Lay Pipe	4	JUL-07-14	JUL-10-14	234d
PL3750	Markers and Locators	4	JUL-08-14	JUL-11-14	234d
PL3760	Backfill	4	JUL-09-14	JUL-14-14	234d
PL3770	Paving Repair	2	JUL-15-14	JUL-16-14	291d
Station 206+00 - 217+00					
PL3800	Implement Traffic Control	1	JUL-01-14	JUL-01-14	297d
PL3810	Saw cut	2	JUL-02-14	JUL-03-14	297d
PL3820	Excavate	4	JUL-09-14	JUL-14-14	234d
PL3880	Construct 6" BOV	3	JUL-09-14	JUL-11-14	292d
PL3830	Bedding	4	JUL-10-14	JUL-15-14	234d
PL3840	Lay Pipe	4	JUL-11-14	JUL-16-14	234d
PL3850	Markers and Locators	4	JUL-14-14	JUL-17-14	234d
PL3860	Backfill	4	JUL-15-14	JUL-18-14	234d
PL3870	Paving Repair	2	JUL-21-14	JUL-22-14	287d
Station 217+00 - 228+00					
PL3900	Implement Traffic Control	1	JUL-09-14	JUL-09-14	292d
PL3910	Saw cut	2	JUL-10-14	JUL-11-14	292d
PL3920	Excavate	4	JUL-15-14	JUL-18-14	234d
PL3980	Construct 6" SCAV 218+16.88	3	JUL-15-14	JUL-17-14	276d
PL3930	Bedding	4	JUL-16-14	JUL-21-14	234d
PL3940	Lay Pipe	4	JUL-17-14	JUL-22-14	234d
PL3950	Markers and Locators	4	JUL-18-14	JUL-23-14	234d
PL3985	Construct 6" SCAV 222+79.28	3	JUL-18-14	JUL-22-14	276d
PL3960	Backfill	4	JUL-21-14	JUL-24-14	234d
PL3987	Construct 6" SCAV 227+31.86	3	JUL-23-14	JUL-25-14	276d
PL3990	Construct 6" BOV 220+36.32	3	JUL-28-14	JUL-30-14	276d
PL3995	Construct 6" BOV 224+98.47	3	JUL-31-14	AUG-04-14	276d
PL3970	Paving Repair	2	AUG-05-14	AUG-06-14	276d
Station 228+00 - 239+00					
PL4000	Implement Traffic Control	1	JUL-15-14	JUL-15-14	287d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

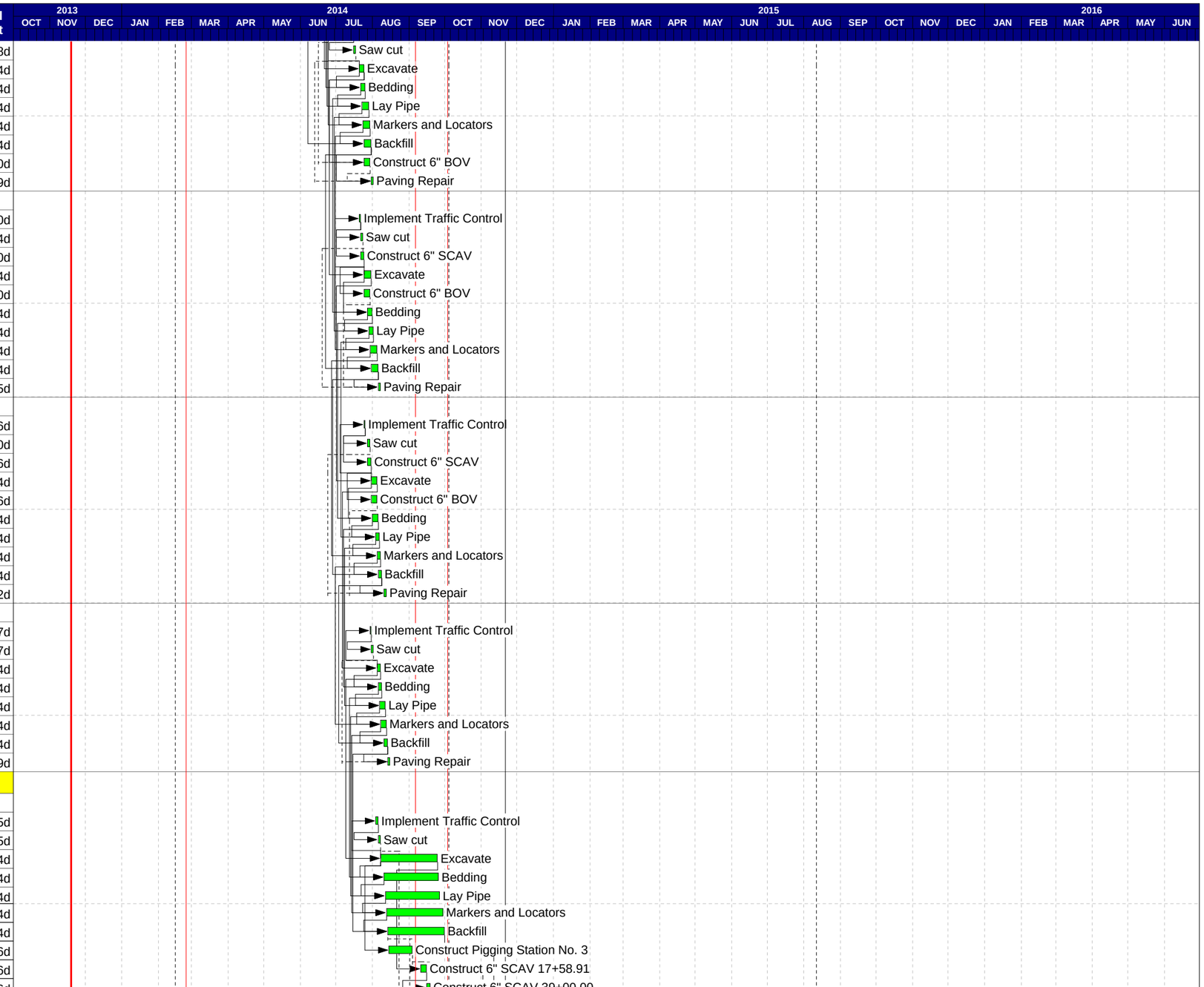
© Primavera Systems, Inc.

Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL4010	Saw cut	2	JUL-16-14	JUL-17-14	288d
PL4020	Excavate	4	JUL-21-14	JUL-24-14	234d
PL4030	Bedding	4	JUL-22-14	JUL-25-14	234d
PL4040	Lay Pipe	4	JUL-23-14	JUL-28-14	234d
PL4050	Markers and Locators	4	JUL-24-14	JUL-29-14	234d
PL4060	Backfill	4	JUL-25-14	JUL-30-14	234d
PL4080	Construct 6" BOV	3	JUL-25-14	JUL-29-14	280d
PL4070	Paving Repair	2	JUL-31-14	AUG-01-14	279d
Station 239+00 - 250+00					
PL4100	Implement Traffic Control	1	JUL-21-14	JUL-21-14	280d
PL4110	Saw cut	2	JUL-22-14	JUL-23-14	284d
PL4180	Construct 6" SCAV	3	JUL-22-14	JUL-24-14	280d
PL4120	Excavate	4	JUL-25-14	JUL-30-14	234d
PL4190	Construct 6" BOV	3	JUL-25-14	JUL-29-14	280d
PL4130	Bedding	4	JUL-28-14	JUL-31-14	234d
PL4140	Lay Pipe	4	JUL-29-14	AUG-01-14	234d
PL4150	Markers and Locators	4	JUL-30-14	AUG-04-14	234d
PL4160	Backfill	4	JUL-31-14	AUG-05-14	234d
PL4170	Paving Repair	2	AUG-06-14	AUG-07-14	275d
Station 250+00 - 257+50					
PL4200	Implement Traffic Control	1	JUL-25-14	JUL-25-14	276d
PL4210	Saw cut	2	JUL-28-14	JUL-29-14	280d
PL4280	Construct 6" SCAV	3	JUL-28-14	JUL-30-14	276d
PL4220	Excavate	3	JUL-31-14	AUG-04-14	234d
PL4290	Construct 6" BOV	3	JUL-31-14	AUG-04-14	276d
PL4230	Bedding	3	AUG-01-14	AUG-05-14	234d
PL4240	Lay Pipe	3	AUG-04-14	AUG-06-14	234d
PL4250	Markers and Locators	3	AUG-05-14	AUG-07-14	234d
PL4260	Backfill	3	AUG-06-14	AUG-08-14	234d
PL4270	Paving Repair	2	AUG-11-14	AUG-12-14	272d
Station 257+50 - 261+42.90					
PL4300	Implement Traffic Control	1	JUL-30-14	JUL-30-14	277d
PL4310	Saw cut	2	JUL-31-14	AUG-01-14	277d
PL4320	Excavate	3	AUG-05-14	AUG-07-14	234d
PL4330	Bedding	3	AUG-06-14	AUG-08-14	234d
PL4340	Lay Pipe	3	AUG-07-14	AUG-11-14	234d
PL4350	Markers and Locators	3	AUG-08-14	AUG-12-14	234d
PL4360	Backfill	3	AUG-11-14	AUG-13-14	234d
PL4370	Paving Repair	2	AUG-14-14	AUG-15-14	269d
Reach 2 Chili Hill Road (10+00 - 109+71.09)					
Station 10+00 - 109+71.09					
PL5000	Implement Traffic Control	2	AUG-04-14	AUG-05-14	265d
PL5010	Saw cut	2	AUG-06-14	AUG-07-14	265d
PL5020	Excavate	34	AUG-08-14	SEP-24-14	234d
PL5030	Bedding	34	AUG-11-14	SEP-25-14	234d
PL5040	Lay Pipe	34	AUG-12-14	SEP-26-14	234d
PL5050	Markers and Locators	34	AUG-13-14	SEP-29-14	234d
PL5060	Backfill	34	AUG-14-14	SEP-30-14	234d
PL5080	Construct Pigging Station No. 3	14	AUG-15-14	SEP-03-14	256d
PL5980	Construct 6" SCAV 17+58.91	3	SEP-11-14	SEP-15-14	236d
PL5985	Construct 6" SCAV 39+00.00	3	SEP-16-14	SEP-18-14	236d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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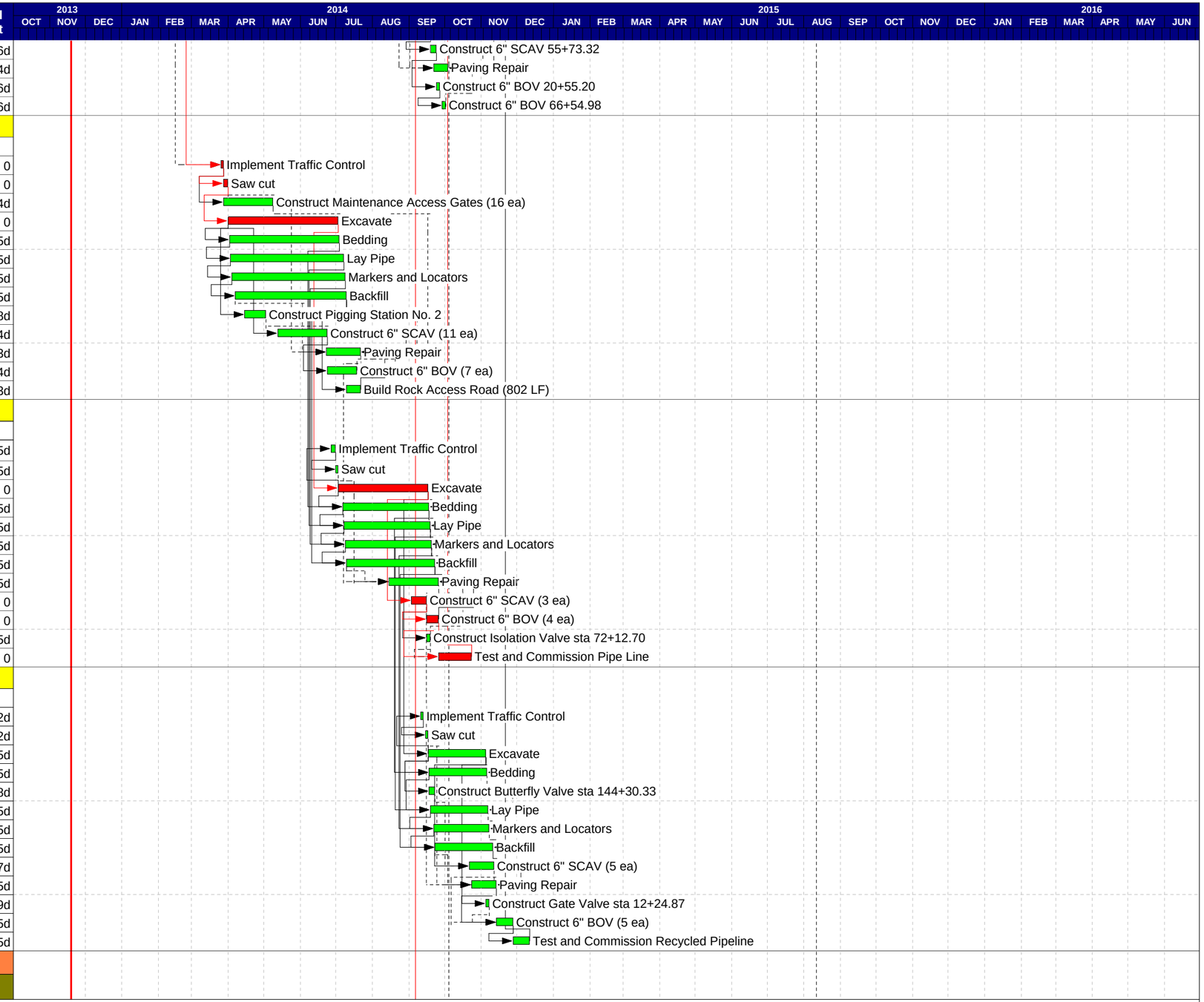
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
PL5987	Construct 6" SCAV 55+73.32	3	SEP-19-14	SEP-23-14	236d
PL5070	Paving Repair	10	SEP-22-14	OCT-03-14	234d
PL5990	Construct 6" BOV 20+55.20	3	SEP-24-14	SEP-26-14	236d
PL5995	Construct 6" BOV 66+54.98	3	SEP-29-14	OCT-01-14	236d
Reach 3 Wise Road - Overland (10+00 - 203+71.07)					
Station 10+00 - 203.+71.07					
PL6000	Implement Traffic Control	2	MAR-26-14	MAR-27-14	0
PL6010	Saw cut	2	MAR-28-14	MAR-31-14	0
PL6075	Construct Maintenance Access Gates (16 ea)	30	MAR-28-14	MAY-08-14	274d
PL6020	Excavate	67	APR-01-14	JUL-02-14	0
PL6030	Bedding	67	APR-02-14	JUL-03-14	185d
PL6040	Lay Pipe	67	APR-03-14	JUL-07-14	185d
PL6050	Markers and Locators	67	APR-04-14	JUL-08-14	185d
PL6060	Backfill	67	APR-07-14	JUL-09-14	185d
PL6080	Construct Pigging Station No. 2	14	APR-15-14	MAY-02-14	278d
PL6980	Construct 6" SCAV (11 ea)	30	MAY-13-14	JUN-23-14	224d
PL6070	Paving Repair	20	JUN-23-14	JUL-21-14	223d
PL6990	Construct 6" BOV (7 ea)	18	JUN-24-14	JUL-18-14	224d
PL6995	Build Rock Access Road (802 LF)	8	JUL-10-14	JUL-21-14	223d
Reach 4 Joeger Road (10+00 - 147+81.48)					
Station 10+00 - 147+81.48					
PL7000	Implement Traffic Control	2	JUN-27-14	JUN-30-14	235d
PL7010	Saw cut	2	JUL-01-14	JUL-02-14	235d
PL7020	Excavate	53	JUL-03-14	SEP-16-14	0
PL7030	Bedding	53	JUL-07-14	SEP-17-14	185d
PL7040	Lay Pipe	53	JUL-08-14	SEP-18-14	185d
PL7050	Markers and Locators	53	JUL-09-14	SEP-19-14	185d
PL7060	Backfill	53	JUL-10-14	SEP-22-14	185d
PL7070	Paving Repair	30	AUG-15-14	SEP-25-14	205d
PL7980	Construct 6" SCAV (3 ea)	9	SEP-03-14	SEP-15-14	0
PL7990	Construct 6" BOV (4 ea)	8	SEP-16-14	SEP-25-14	0
PL7995	Construct Isolation Valve sta 72+12.70	3	SEP-16-14	SEP-18-14	5d
PL8005	Test and Commission Pipe Line	20	SEP-26-14	OCT-23-14	0
Recycled Water Pipeline (10+00 - 144+30.33)					
Station 10+00 - 144+30.33					
PL8000	Implement Traffic Control	2	SEP-11-14	SEP-12-14	212d
PL8010	Saw cut	2	SEP-15-14	SEP-16-14	212d
PL8020	Excavate	35	SEP-17-14	NOV-04-14	185d
PL8030	Bedding	35	SEP-18-14	NOV-05-14	185d
PL8995	Construct Butterfly Valve sta 144+30.33	3	SEP-18-14	SEP-22-14	208d
PL8040	Lay Pipe	35	SEP-19-14	NOV-06-14	185d
PL8050	Markers and Locators	35	SEP-22-14	NOV-07-14	185d
PL8060	Backfill	35	SEP-23-14	NOV-10-14	185d
PL8980	Construct 6" SCAV (5 ea)	15	OCT-22-14	NOV-11-14	187d
PL8070	Paving Repair	15	OCT-24-14	NOV-13-14	185d
PL8997	Construct Gate Valve sta 12+24.87	3	NOV-05-14	NOV-07-14	189d
PL8990	Construct 6" BOV (5 ea)	10	NOV-14-14	NOV-27-14	185d
PL9000	Test and Commission Recycled Pipeline	10	NOV-28-14	DEC-11-14	185d
SMD1 WWTP Conversion Rev 1					
Administrative					



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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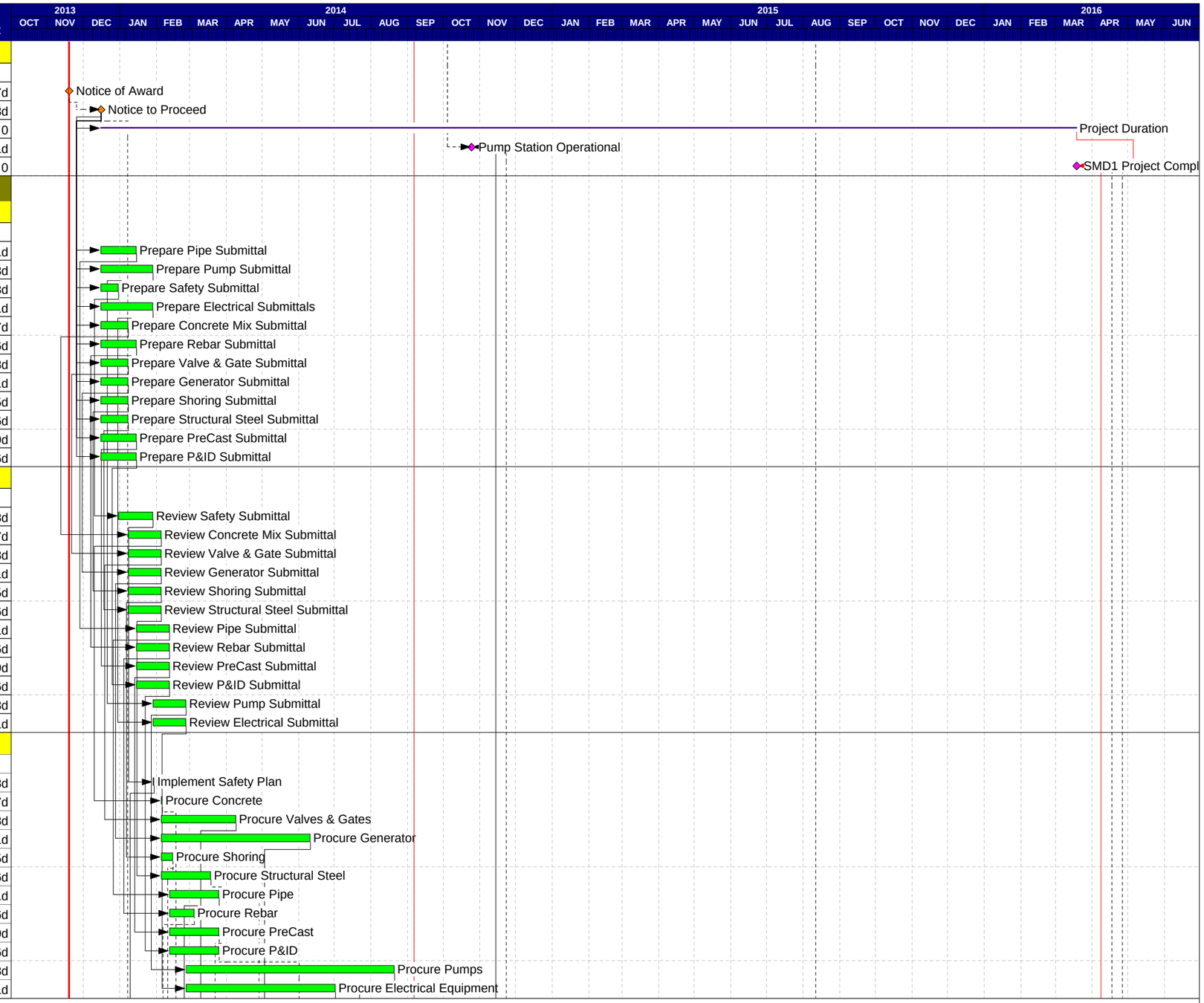
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
SM1001	Notice of Award	0	NOV-19-13		27d
SM1000	Notice to Proceed	0	DEC-16-13		8d
SM1010	Project Duration	583 *	DEC-16-13	MAR-18-16	0
SM1060	Pump Station Operational	0		OCT-24-14	361d
SM1020	SMD1 Project Completion	0		MAR-18-16	0
Submittals					
Prepare					
SM1030	Prepare Pipe Submittal	20	DEC-16-13	JAN-14-14	61d
SM1090	Prepare Pump Submittal	30	DEC-16-13	JAN-28-14	8d
SM1120	Prepare Safety Submittal	10	DEC-16-13	DEC-30-13	48d
SM1150	Prepare Electrical Submittals	30	DEC-16-13	JAN-28-14	21d
SM1180	Prepare Concrete Mix Submittal	15	DEC-16-13	JAN-07-14	77d
SM1210	Prepare Rebar Submittal	20	DEC-16-13	JAN-14-14	116d
SM1240	Prepare Valve & Gate Submittal	15	DEC-16-13	JAN-07-14	88d
SM1280	Prepare Generator Submittal	15	DEC-16-13	JAN-07-14	71d
SM1310	Prepare Shoring Submittal	15	DEC-16-13	JAN-07-14	65d
SM1340	Prepare Structural Steel Submittal	15	DEC-16-13	JAN-07-14	116d
SM1370	Prepare PreCast Submittal	20	DEC-16-13	JAN-14-14	89d
SM1400	Prepare P&ID Submittal	20	DEC-16-13	JAN-14-14	106d
Review					
SM1130	Review Safety Submittal	20	DEC-31-13	JAN-28-14	48d
SM1190	Review Concrete Mix Submittal	20	JAN-08-14	FEB-04-14	77d
SM1250	Review Valve & Gate Submittal	20	JAN-08-14	FEB-04-14	88d
SM1290	Review Generator Submittal	20	JAN-08-14	FEB-04-14	71d
SM1320	Review Shoring Submittal	20	JAN-08-14	FEB-04-14	65d
SM1350	Review Structural Steel Submittal	20	JAN-08-14	FEB-04-14	116d
SM1040	Review Pipe Submittal	20	JAN-15-14	FEB-11-14	61d
SM1220	Review Rebar Submittal	20	JAN-15-14	FEB-11-14	116d
SM1380	Review PreCast Submittal	20	JAN-15-14	FEB-11-14	89d
SM1410	Review P&ID Submittal	20	JAN-15-14	FEB-11-14	106d
SM1100	Review Pump Submittal	20	JAN-29-14	FEB-25-14	8d
SM1160	Review Electrical Submittal	20	JAN-29-14	FEB-25-14	21d
Procure					
SM1140	Implement Safety Plan	1	JAN-29-14	JAN-29-14	48d
SM1200	Procure Concrete	1	FEB-05-14	FEB-05-14	77d
SM1260	Procure Valves & Gates	45	FEB-05-14	APR-08-14	88d
SM1300	Procure Generator	90	FEB-05-14	JUN-10-14	71d
SM1330	Procure Shoring	8	FEB-05-14	FEB-14-14	65d
SM1360	Procure Structural Steel	30	FEB-05-14	MAR-18-14	116d
SM1050	Procure Pipe	30	FEB-12-14	MAR-25-14	61d
SM1230	Procure Rebar	15	FEB-12-14	MAR-04-14	116d
SM1390	Procure PreCast	30	FEB-12-14	MAR-25-14	89d
SM1420	Procure P&ID	30	FEB-12-14	MAR-25-14	106d
SM1110	Procure Pumps	125	FEB-26-14	AUG-20-14	8d
SM1170	Procure Electrical Equipment	90	FEB-26-14	JUL-01-14	21d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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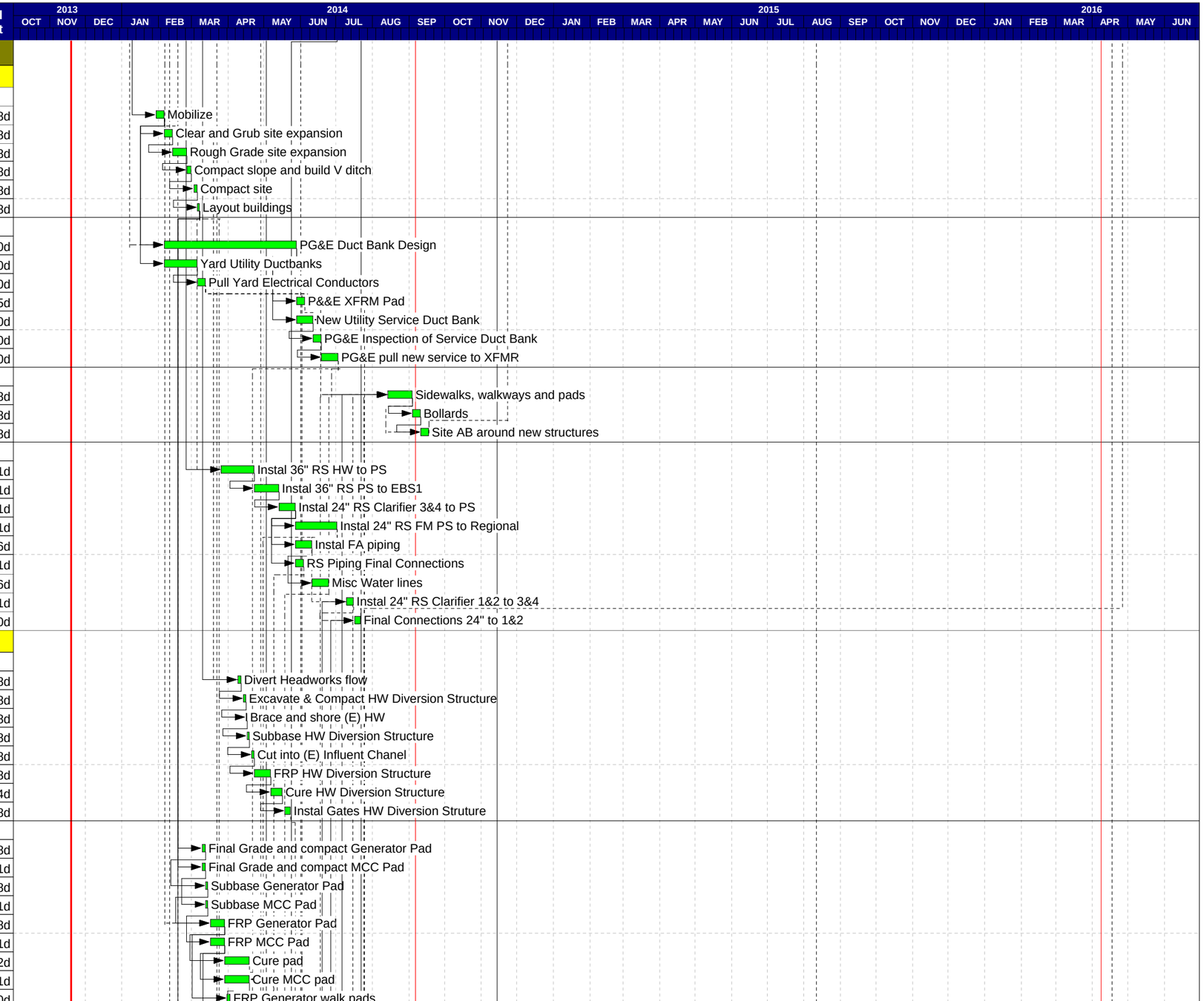
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
Construction					
Pump Station Site Work					
Earth Work					
SM2000	Mobilize	5	JAN-30-14	FEB-05-14	48d
SM2010	Clear and Grub site expansion	5	FEB-06-14	FEB-12-14	48d
SM2020	Rough Grade site expansion	8	FEB-13-14	FEB-24-14	48d
SM2030	Compact slope and build V ditch	4	FEB-25-14	FEB-28-14	48d
SM2040	Compact site	3	MAR-03-14	MAR-05-14	48d
SM2050	Layout buildings	2	MAR-06-14	MAR-07-14	48d
Electrical					
SM2205	PG&E Duct Bank Design	80	FEB-06-14	MAY-28-14	60d
SM2250	Yard Utility Ductbanks	20	FEB-06-14	MAR-05-14	100d
SM2260	Pull Yard Electrical Conductors	5	MAR-06-14	MAR-12-14	100d
SM2210	P&&E XFRM Pad	5	MAY-29-14	JUN-04-14	65d
SM2220	New Utility Service Duct Bank	10	MAY-29-14	JUN-11-14	60d
SM2230	PG&E Inspection of Service Duct Bank	5	JUN-12-14	JUN-18-14	60d
SM2240	PG&E pull new service to XFMR	10	JUN-19-14	JUL-02-14	60d
Site Work Finishes					
SM2910	Sidewalks, walkways and pads	15	AUG-14-14	SEP-03-14	388d
SM2920	Bollards	5	SEP-04-14	SEP-10-14	388d
SM2900	Site AB around new structures	5	SEP-11-14	SEP-17-14	388d
Yard Piping					
SM2800	Instal 36" RS HW to PS	20	MAR-26-14	APR-22-14	61d
SM2810	Instal 36" RS PS to EBS1	15	APR-23-14	MAY-13-14	61d
SM2820	Instal 24" RS Clarifier 3&4 to PS	10	MAY-14-14	MAY-27-14	61d
SM2840	Instal 24" RS FM PS to Regional	25	MAY-28-14	JUL-01-14	61d
SM2850	Instal FA piping	10	MAY-28-14	JUN-10-14	66d
SM2860	RS Piping Final Connections	5	MAY-28-14	JUN-03-14	81d
SM2870	Misc Water lines	10	JUN-11-14	JUN-24-14	66d
SM2830	Instal 24" RS Clarifier 1&2 to 3&4	4	JUL-10-14	JUL-15-14	431d
SM2835	Final Connections 24" to 1&2	3	JUL-17-14	JUL-21-14	430d
Pump Station Buildings					
Head Works Diversion Structure					
SM2700	Divert Headworks flow	3	APR-09-14	APR-11-14	88d
SM2710	Excavate & Compact HW Diversion Structure	2	APR-14-14	APR-15-14	88d
SM2720	Brace and shore (E) HW	1	APR-16-14	APR-16-14	88d
SM2730	Subbase HW Diversion Structure	2	APR-17-14	APR-18-14	88d
SM2740	Cut into (E) Influent Chanel	2	APR-21-14	APR-22-14	88d
SM2750	FRP HW Diversion Structure	10	APR-23-14	MAY-06-14	88d
SM2760	Cure HW Diversion Structure	10	MAY-07-14	MAY-16-14	124d
SM2770	Instal Gates HW Diversion Struture	5	MAY-19-14	MAY-23-14	88d
MCC and Generator					
SM2300	Final Grade and compact Generator Pad	3	MAR-10-14	MAR-12-14	108d
SM2370	Final Grade and compact MCC Pad	3	MAR-10-14	MAR-12-14	71d
SM2310	Subbase Generator Pad	2	MAR-13-14	MAR-14-14	108d
SM2380	Subbase MCC Pad	2	MAR-13-14	MAR-14-14	71d
SM2320	FRP Generator Pad	10	MAR-17-14	MAR-28-14	108d
SM2390	FRP MCC Pad	10	MAR-17-14	MAR-28-14	71d
SM2340	Cure pad	21	MAR-29-14	APR-18-14	152d
SM2410	Cure MCC pad	21	MAR-29-14	APR-18-14	101d
SM2330	FRP Generator walk pads	3	MAR-31-14	APR-02-14	120d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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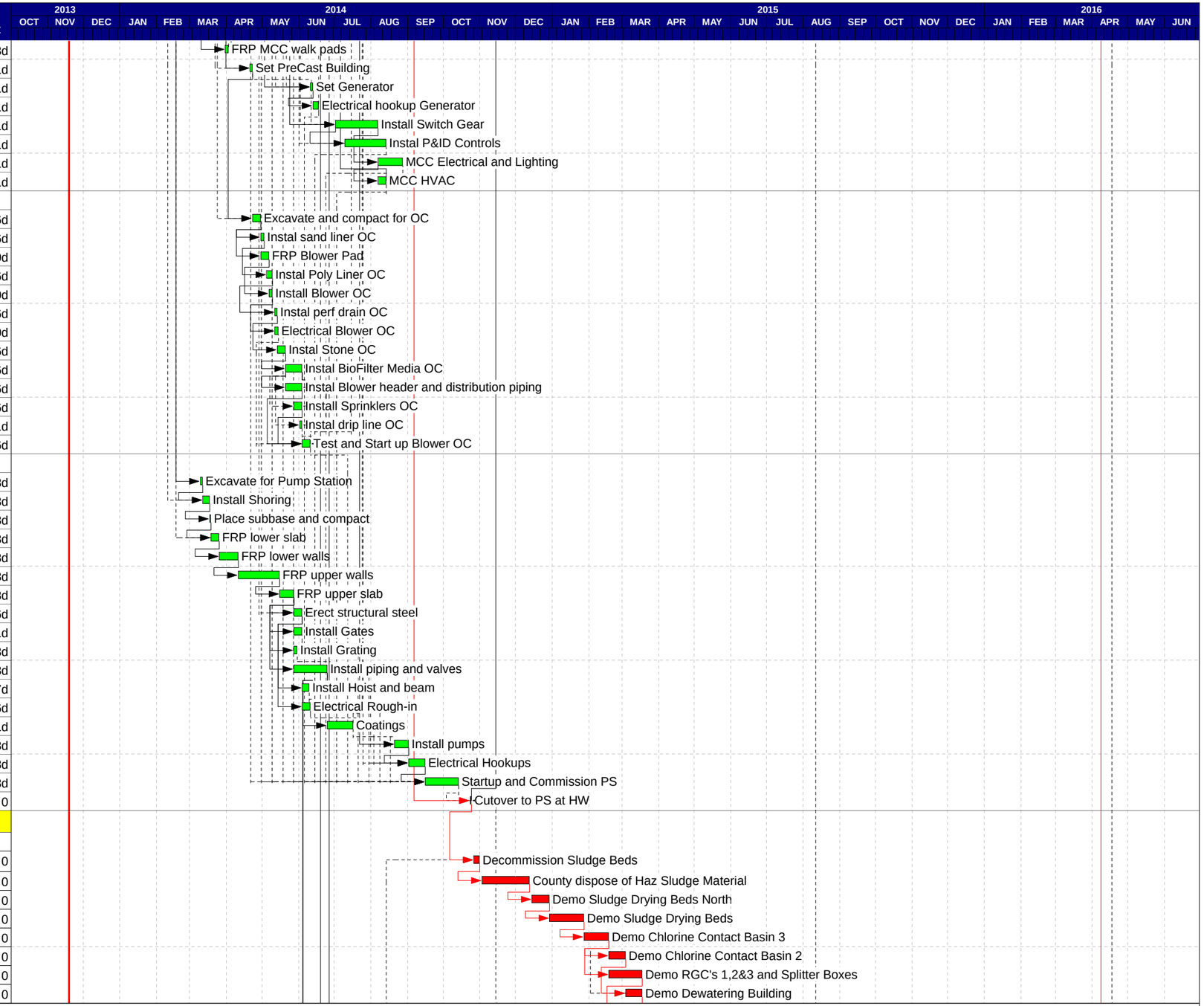
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
SM2400	FRP MCC walk pads	3	MAR-31-14	APR-02-14	83d
SM2420	Set PreCast Building	2	APR-21-14	APR-22-14	71d
SM2350	Set Generator	2	JUN-11-14	JUN-12-14	71d
SM2360	Electrical hookup Generator	3	JUN-13-14	JUN-17-14	71d
SM2430	Install Switch Gear	25	JUL-02-14	AUG-06-14	21d
SM2460	Instal P&ID Controls	25	JUL-10-14	AUG-13-14	31d
SM2440	MCC Electrical and Lighting	15	AUG-07-14	AUG-27-14	21d
SM2450	MCC HVAC	5	AUG-07-14	AUG-13-14	31d
Ordor Control					
SM2500	Excavate and compact for OC	5	APR-23-14	APR-29-14	76d
SM2510	Instal sand liner OC	3	APR-30-14	MAY-02-14	76d
SM2590	FRP Blower Pad	5	APR-30-14	MAY-06-14	90d
SM2520	Instal Poly Liner OC	5	MAY-05-14	MAY-09-14	76d
SM2600	Install Blower OC	3	MAY-07-14	MAY-09-14	90d
SM2530	Instal perf drain OC	2	MAY-12-14	MAY-13-14	76d
SM2610	Electrical Blower OC	3	MAY-12-14	MAY-14-14	90d
SM2540	Instal Stone OC	5	MAY-14-14	MAY-20-14	76d
SM2550	Instal BioFilter Media OC	10	MAY-21-14	JUN-03-14	76d
SM2580	Instal Blower header and distribution piping	10	MAY-21-14	JUN-03-14	76d
SM2570	Install Sprinklers OC	5	MAY-28-14	JUN-03-14	76d
SM2560	Instal drip line OC	2	JUN-02-14	JUN-03-14	81d
SM2620	Test and Start up Blower OC	5	JUN-04-14	JUN-10-14	76d
Pump Station					
SM2060	Excavate for Pump Station	2	MAR-10-14	MAR-11-14	48d
SM2070	Install Shoring	4	MAR-12-14	MAR-17-14	48d
SM2080	Place subbase and compact	1	MAR-18-14	MAR-18-14	48d
SM2090	FRP lower slab	5	MAR-19-14	MAR-25-14	48d
SM2100	FRP lower walls	12	MAR-26-14	APR-10-14	48d
SM2120	FRP upper walls	25	APR-11-14	MAY-15-14	48d
SM2110	FRP upper slab	8	MAY-16-14	MAY-27-14	48d
SM2130	Erect structural steel	5	MAY-28-14	JUN-03-14	66d
SM2150	Install Gates	5	MAY-28-14	JUN-03-14	81d
SM2160	Install Grating	3	MAY-28-14	MAY-30-14	83d
SM2170	Install piping and valves	20	MAY-28-14	JUN-24-14	48d
SM2140	Install Hoist and beam	4	JUN-04-14	JUN-09-14	77d
SM2175	Electrical Rough-in	5	JUN-04-14	JUN-10-14	66d
SM2180	Coatings	15	JUN-25-14	JUL-16-14	51d
SM2190	Install pumps	8	AUG-21-14	SEP-01-14	8d
SM2200	Electrical Hookups	10	SEP-02-14	SEP-15-14	8d
SM2270	Startup and Commission PS	20	SEP-16-14	OCT-13-14	8d
SM2280	Cutover to PS at HW	1	OCT-24-14	OCT-24-14	0
Demolition					
Emergency Storage Basin Area					
SM3035	Decommission Sludge Beds	5	OCT-27-14	OCT-31-14	0
SM3037	County dispose of Haz Sludge Material	30	NOV-03-14	DEC-12-14	0
SM3040	Demo Sludge Drying Beds North	10	DEC-15-14	DEC-29-14	0
SM3210	Demo Sludge Drying Beds	20	DEC-30-14	JAN-27-15	0
SM3100	Demo Chlorine Contact Basin 3	15	JAN-28-15	FEB-17-15	0
SM3140	Demo Chlorine Contact Basin 2	10	FEB-18-15	MAR-03-15	0
SM3220	Demo RGC's 1,2&3 and Splitter Boxes	20	FEB-18-15	MAR-17-15	0
SM3180	Demo Dewatering Building	10	MAR-04-15	MAR-17-15	0



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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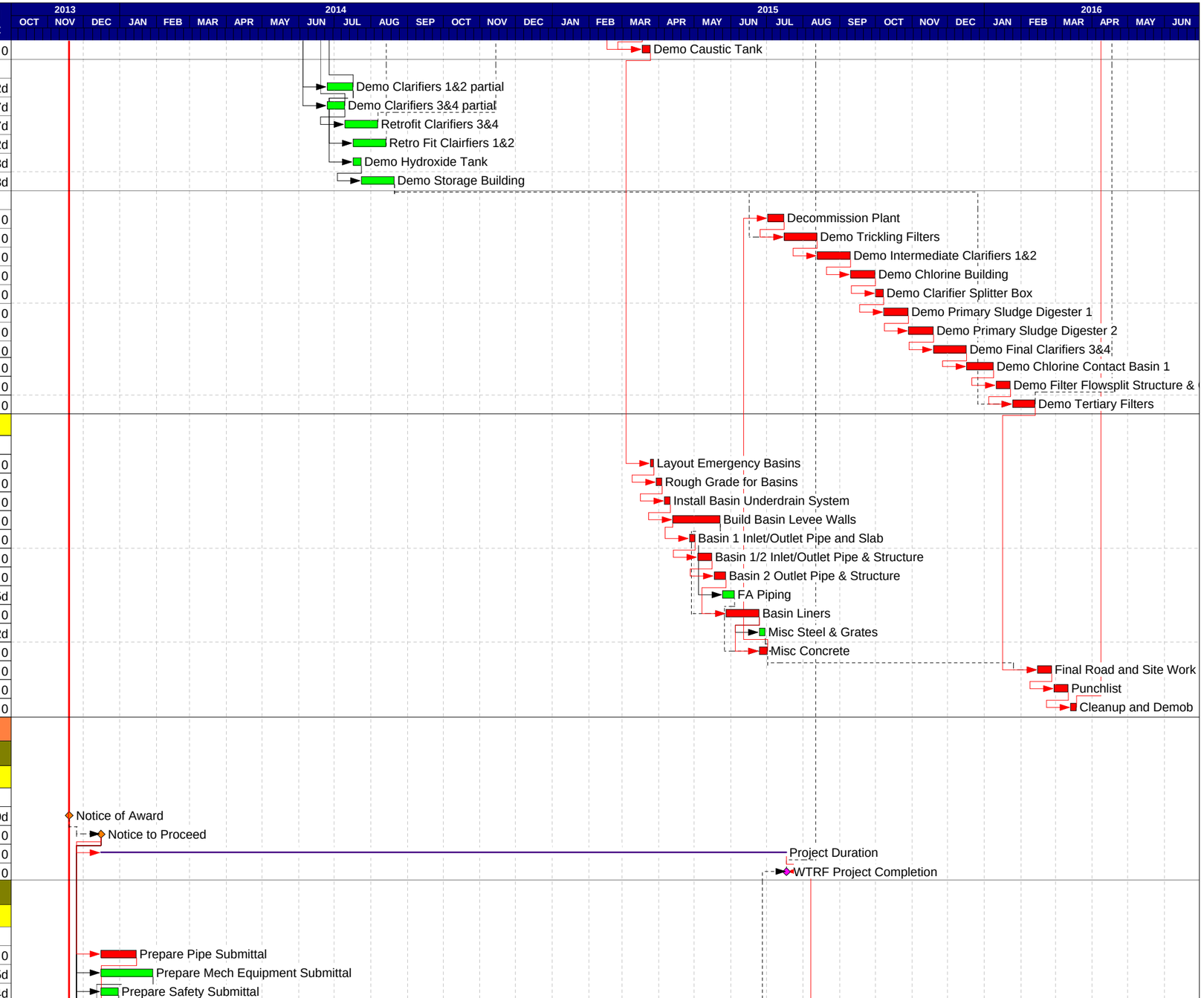
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
SM3190	Demo Caustic Tank	5	MAR-18-15	MAR-24-15	0
Yard Area 1 - East					
SM3120	Demo Clarifiers 1&2 partial	15	JUN-25-14	JUL-16-14	52d
SM3130	Demo Clarifiers 3&4 partial	10	JUN-25-14	JUL-09-14	57d
SM3135	Retrofit Clarifiers 3&4	20	JUL-10-14	AUG-06-14	57d
SM3025	Retro Fit Clairfiers 1&2	20	JUL-17-14	AUG-13-14	52d
SM3200	Demo Hydroxide Tank	5	JUL-17-14	JUL-23-14	233d
SM3110	Demo Storage Building	20	JUL-24-14	AUG-20-14	233d
Yard Area 2 - West					
SM3018	Decommission Plant	10	JUL-02-15	JUL-15-15	0
SM3020	Demo Trickling Filters	20	JUL-16-15	AUG-12-15	0
SM3030	Demo Intermediate Clarifiers 1&2	20	AUG-13-15	SEP-09-15	0
SM3160	Demo Chlorine Building	15	SEP-10-15	SEP-30-15	0
SM3170	Demo Clarifier Splitter Box	5	OCT-01-15	OCT-07-15	0
SM3050	Demo Primary Sludge Digester 1	15	OCT-08-15	OCT-28-15	0
SM3060	Demo Primary Sludge Digester 2	15	OCT-29-15	NOV-18-15	0
SM3150	Demo Final Clarifiers 3&4	20	NOV-19-15	DEC-16-15	0
SM3070	Demo Chlorine Contact Basin 1	15	DEC-17-15	JAN-08-16	0
SM3090	Demo Filter Flowsplit Structure & Clarifier Eff	10	JAN-11-16	JAN-22-16	0
SM3080	Demo Tertiary Filters	15	JAN-25-16	FEB-12-16	0
Emergency Basins					
Earth Work					
SM4000	Layout Emergency Basins	3	MAR-25-15	MAR-27-15	0
SM4010	Rough Grade for Basins	5	MAR-30-15	APR-03-15	0
SM4020	Install Basin Underdrain System	5	APR-06-15	APR-10-15	0
SM4030	Build Basin Levee Walls	30	APR-13-15	MAY-22-15	0
SM4040	Basin 1 Inlet/Outlet Pipe and Slab	5	APR-27-15	MAY-01-15	0
SM4050	Basin 1/2 Inlet/Outlet Pipe & Structure	10	MAY-04-15	MAY-15-15	0
SM4060	Basin 2 Outlet Pipe & Structure	8	MAY-18-15	MAY-27-15	0
SM4080	FA Piping	8	MAY-25-15	JUN-03-15	15d
SM4070	Basin Liners	20	MAY-28-15	JUN-24-15	0
SM4090	Misc Steel & Grates	3	JUN-25-15	JUN-29-15	2d
SM4100	Misc Concrete	5	JUN-25-15	JUL-01-15	0
SM4110	Final Road and Site Work	10	FEB-15-16	FEB-26-16	0
SM4120	Punchlist	10	FEB-29-16	MAR-11-16	0
SM4130	Cleanup and Demob	5	MAR-14-16	MAR-18-16	0
City of Lincoln WTRF Expansion					
Administrative					
TF1001	Notice of Award	0	NOV-19-13		19d
TF1000	Notice to Proceed	0	DEC-16-13		0
TF1010	Project Duration	410 *	DEC-16-13	JUL-17-15	0
TF1020	WTRF Project Completion	0		JUL-17-15	0
Submittals					
Prepare					
TF1030	Prepare Pipe Submittal	20	DEC-16-13	JAN-14-14	0
TF1090	Prepare Mech Equipment Submittal	30	DEC-16-13	JAN-28-14	95d
TF1120	Prepare Safety Submittal	10	DEC-16-13	DEC-30-13	144d



Start date	NOV-19-13
Finish date	MAR-18-16
Data date	NOV-19-13
Run date	SEP-26-13
Project name	MPRS
Project type	Concentric (P3)

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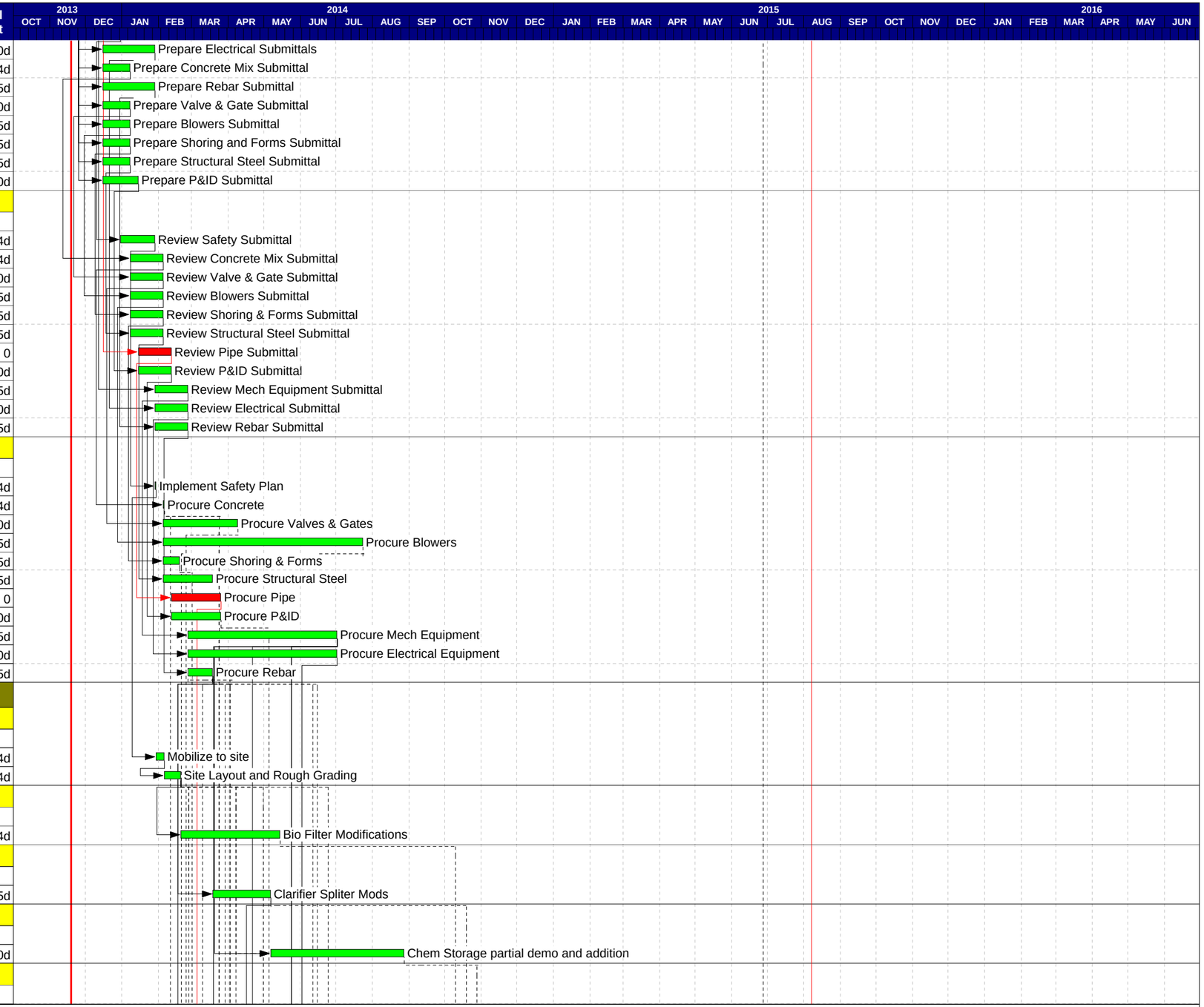
Program Schedule

Midwestern Placer Regional Sewer Project

- Early bar
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
TF1150	Prepare Electrical Submittals	30	DEC-16-13	JAN-28-14	160d
TF1180	Prepare Concrete Mix Submittal	15	DEC-16-13	JAN-07-14	44d
TF1210	Prepare Rebar Submittal	30	DEC-16-13	JAN-28-14	15d
TF1240	Prepare Valve & Gate Submittal	15	DEC-16-13	JAN-07-14	10d
TF1280	Prepare Blowers Submittal	15	DEC-16-13	JAN-07-14	25d
TF1310	Prepare Shoring and Forms Submittal	15	DEC-16-13	JAN-07-14	35d
TF1340	Prepare Structural Steel Submittal	15	DEC-16-13	JAN-07-14	345d
TF1400	Prepare P&ID Submittal	20	DEC-16-13	JAN-14-14	200d
Review					
TF1130	Review Safety Submittal	20	DEC-31-13	JAN-28-14	144d
TF1190	Review Concrete Mix Submittal	20	JAN-08-14	FEB-04-14	44d
TF1250	Review Valve & Gate Submittal	20	JAN-08-14	FEB-04-14	10d
TF1290	Review Blowers Submittal	20	JAN-08-14	FEB-04-14	25d
TF1320	Review Shoring & Forms Submittal	20	JAN-08-14	FEB-04-14	35d
TF1350	Review Structural Steel Submittal	20	JAN-08-14	FEB-04-14	345d
TF1040	Review Pipe Submittal	20	JAN-15-14	FEB-11-14	0
TF1410	Review P&ID Submittal	20	JAN-15-14	FEB-11-14	200d
TF1100	Review Mech Equipment Submittal	20	JAN-29-14	FEB-25-14	95d
TF1160	Review Electrical Submittal	20	JAN-29-14	FEB-25-14	160d
TF1220	Review Rebar Submittal	20	JAN-29-14	FEB-25-14	15d
Procure					
TF1140	Implement Safety Plan	1	JAN-29-14	JAN-29-14	144d
TF1200	Procure Concrete	1	FEB-05-14	FEB-05-14	44d
TF1260	Procure Valves & Gates	45	FEB-05-14	APR-08-14	10d
TF1300	Procure Blowers	120	FEB-05-14	JUL-23-14	25d
TF1330	Procure Shoring & Forms	10	FEB-05-14	FEB-18-14	35d
TF1360	Procure Structural Steel	30	FEB-05-14	MAR-18-14	345d
TF1050	Procure Pipe	30	FEB-12-14	MAR-25-14	0
TF1420	Procure P&ID	30	FEB-12-14	MAR-25-14	200d
TF1110	Procure Mech Equipment	90	FEB-26-14	JUL-01-14	95d
TF1170	Procure Electrical Equipment	90	FEB-26-14	JUL-01-14	160d
TF1230	Procure Rebar	15	FEB-26-14	MAR-18-14	15d
Construction					
Mobilize					
TF1900	Mobilize to site	5	JAN-30-14	FEB-05-14	144d
TF1910	Site Layout and Rough Grading	10	FEB-06-14	FEB-19-14	144d
Bio-Filters					
TF5300	Bio Filter Modifications	60	FEB-20-14	MAY-14-14	214d
Clarifier Splitter					
TF3800	Clarifier Spliter Mods	35	MAR-19-14	MAY-06-14	125d
Chemical Storage Building					
TF5600	Chem Storage partial demo and addition	80	MAY-07-14	AUG-27-14	140d
Effluent Pump Station					



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Program Schedule

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Act ID	Description	Orig Dur	Early Start	Early Finish	Total Float
TF4700	Effluent Pump Station Mods	65	MAY-21-14	AUG-20-14	145d
Electrical Room					
TF6100	Electrical Room MCC and Buss mods	20	JUL-02-14	JUL-30-14	160d
Head Works					
TF3200	Headworks Modifications	55	MAY-07-14	JUL-23-14	125d
Insturmentation and Contorls					
TF6500	Insturmentation and Controls	50	JUN-04-14	AUG-13-14	150d
Influent Parshall Flume					
TF3500	Influent Parshall Flume Mods	40	JUL-24-14	SEP-17-14	125d
Influent Pump Station					
TF2900	Infuuent Pump Station Mods	40	JUL-02-14	AUG-27-14	140d
Misc. Metals					
TF6800	Misc. Metals	20	SEP-11-14	OCT-08-14	110d
Maturation Ponds					
TF4100	Maturation Ponds Modifications	120	APR-09-14	SEP-24-14	120d
Oxidation Ditch 3					
TF2000	Ox Ditch Construction	240	APR-09-14	MAR-13-15	0
RAS Pump Station					
TF2600	RAS Pump Station Constrluction	90	APR-23-14	AUG-27-14	140d
Secondary Clarifier 3					
TF2300	Secondary Clarifier 3 construciton	150	APR-23-14	NOV-19-14	80d
Solids Dewatering Building					
TF5900	Soilds Dewatering Building Addition	85	JUL-02-14	OCT-29-14	95d
Site Work					
Electrical					
TF6200	Site Electrical Ductbanks and Conductor	40	MAR-19-14	MAY-13-14	165d
Site Work Finishes					
TF6510	Site final Grading and Paving	20	JUL-31-14	AUG-27-14	230d
Yard Piping					
TF5000	Site Piping	90	MAR-26-14	JUL-30-14	0
Tertiary Filters					
TF4400	Tertiary Filters Modifications	45	JUL-02-14	SEP-03-14	135d
Testing, Start-up, and Commissioning					
TF7000	Testing Startup & Commissioning	90	MAR-16-15	JUL-17-15	0

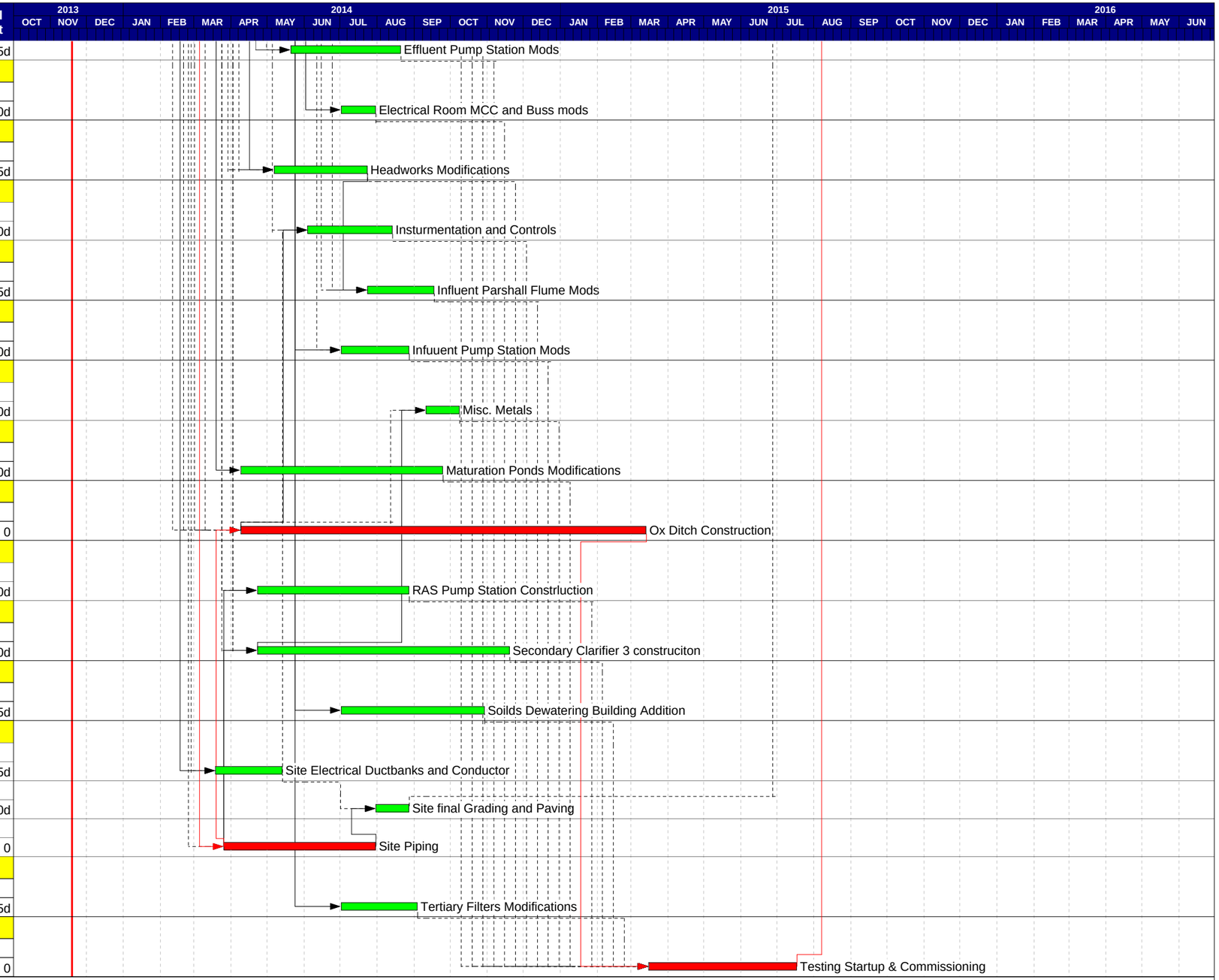

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EXHIBIT 5 – BREAKDOWN OF CAPITAL CHARGE

The Capital Charge with its breakdown into different cost categories is set forth below. Unless otherwise specifically set forth in the Agreement, individual line items are not capped at the estimates shown below and savings in certain line items may be reallocated to overruns in others without adjusting the overall Capital Charge.

DERA Costs:	$6,548,350 [1, 2]
Project Management/Administration (i.e., Allowable Staff Costs):	$500,000
Construction Work (Direct):	$39,564,063
Construction Management:	$5,800,000
Engineering Services during Construction:	$2,500,000
Mitigations and Mitigation Monitoring:	$250,000
Inspection/Testing:	$100,000
Capital Contingency:	$9,850,249
Oversizing Contingency:	$7,070,338
Inflation Allowance:	$1,020,000 [3]
Total Capital Charge:	**$73,203,000**

[1] DERA Cost was increased by $481,350 [4] to include Easement Acquisition costs with approval of the First Amendment to the DERA on October 8, 2013.

[2] The Parties acknowledge that through June 30, 2013, Lincoln has incurred the following amounts as costs reimbursable under the DERA:

Design and Environmental	$5,283,159
Easements & Land Acquisition	$16,000 [4]
Project Management/Administration	$312,820
Permitting	$14,787

[3] The Capital Charge includes an agreed upon construction inflation adjustment based on the ENR 20 City Construction Index from February 2012 (ENR CCI 9198) to July 2014. The 2012 Lincoln offer included a construction inflation allowance of $1,020,000, which the Parties acknowledge represented an inflation rate of 2% on a construction cost estimate of $51,000,000.

[4] Costs are ineligible for SRF financing assistance, though they are Capital Costs.

EXHIBIT 6A – PAYING AGENT PROVISIONS

The Parties agree to the following provisions governing the receipt and disbursement of funds for the payment of Capital Costs and any Oversizing Payment.

1. Paying Agent. The Placer County Treasurer-Tax Collector will act as the "Paying Agent" for the receipt of SRF loan proceeds and certain other project funds and the payment of approved Capital Costs on behalf of Lincoln to Lincoln's third party contractors, consultants, suppliers and other payees (each, a "Third Party Payee") per the terms of this Exhibit 6A. The Paying Agent will have the sole right to invest and manage the funds deposited with it, and all investment income earned will accrue to the County.

2. Paying Agent Account. The funds held by the Paying Agent for payment pursuant to this Agreement constitute the "Paying Agent Account." County will be the owner of the deposited funds for tax and other purposes. The Paying Agent will establish appropriate accounting mechanisms to manage and track the deposits to and payments from the Paying Agent Account.

2.1 Deposit of Oversizing Contingency Funds. County will deposit funds equal to the Oversizing Contingency with the Paying Agent for credit to the Paying Agent Account. The purposes of these funds are to be available to pay approved Capital Costs pending receipt of SRF loan proceeds.

2.2 Deposit of SRF Loan Proceeds. Upon receipt, County will deposit the proceeds of the SRF loan proceeds with the Paying Agent for the Paying Agent Account. SRF loan proceeds are paid to County based on reimbursement requests for SRF-eligible and approved expenses.

2.3 Deposit of Funds for COJA Change Orders. County will deposit the appropriate funds with the Paying Agent for credit to the Paying Agent Account for any COJA Change Orders that increase the Capital Charge.

2.4 Remaining Funds. County will keep any remaining funds in the Paying Agent Account after all required payments to Lincoln and Third Party Payees have been paid per this Agreement. The Paying Agent will make transfers of remaining funds as directed by County.

3. Payment Disbursement Process.

3.1 Lincoln will receive and review all payment applications, invoices or other evidence of amounts due from its Third Party Payees. Lincoln will certify in Lincoln's payment request as to the amount of each Third Party Payee's payment application, invoice or other evidence of amounts due that represents Capital Costs payable under this Agreement and approved by Lincoln for payment to the Third Party Payee. Lincoln's payment request will include instructions for remittance to each Third Party Payee and indicate any amounts being withheld by Lincoln from the Third Party Payee.

3.2 Lincoln will issue payment requests to the County in the form set forth in Exhibit 6B not more frequently than every month, accompanied by the back-up documentation required by Section 4.2.1 of the Agreement. Each payment request will include a certification from a duly authorized Lincoln representative indicating that all work completed and invoiced was conducted in accordance with this Agreement and represent Capital Costs as defined in this

Agreement. Each payment request will break down the Capital Costs into the follow categories, as applicable:

3.2.1 DERA Costs;

3.2.2 Project Management/Administration;

3.2.3 Construction Work (Direct);

3.2.4 Construction Management;

3.2.5 Engineering Services during Construction;

3.2.6 Mitigations and Mitigation Monitoring;

3.2.7 Inspection/Testing; and

3.2.8 COJA Change Order. Capital Costs that are due to a COJA Change Order will be categorized both as a COJA Change Order and also with the category of the nature of the underlying cost (i.e., DERA Costs, Project Management/Administration, Construction Work, Construction Management, Engineering Services during Construction; Mitigations and Mitigation Monitoring; and Inspection/Testing).

3.3 Upon receipt of Lincoln's payment request, the County will review in accordance with Section 4.2.1 of the Agreement. Subject to Section 4.2.1(d) of the Agreement, no later than 33 calendar days from receipt of Lincoln's payment request: (a) County will instruct the Paying Agent to disburse the requested payment with any allowed County adjustments to the Third Party Payees and to Lincoln for Allowable Staff Costs; and (b) the Paying Agent will issue such payments in the applicable amounts. The County will endeavor, without liability, to process Lincoln's payment requests faster than 30 days from receipt. Separately, the County will submit the approved payment amounts to the SRF for reimbursement to County under the SRF financing.

3.4 For any amounts owed by Lincoln to County under the Agreement or incurred by County for the Lincoln-County Project due to a Material Default by Lincoln, County may require the Paying Agent to disburse those amounts from the Paying Agent Account to County or to County's payee. County will promptly provide Lincoln a copy of such disbursement request. Any such disbursement will not relieve Lincoln of its obligation for such amounts under the Agreement.

3.5 After Project Final Completion, if and to the extent the Oversizing Payment has been earned per Section 4.2.3 of the Agreement, Lincoln will submit a payment request for the earned amount of the Oversizing Payment that includes a certification that County has no further obligation to pay Capital Costs.

4. Notification of Contractor Withholding. Lincoln will promptly notify the County of any stop payment notices it receives that would affect payment of Capital Costs and inform the County and the Paying Agent of any amounts that need to be withheld from a payment request pursuant to a stop payment notice or otherwise pursuant to law at least 3 days prior to the due date for Paying Agent's payment to the applicable payee(s). Moreover, Lincoln will promptly advise the County and the Paying Agent of when and how much of those withheld amounts may

be released to the particular Third Party Payee pursuant to law. Lincoln is solely responsible for, and will defend and indemnify the Indemnitees against, any and all claims, suits, damages, fines or penalties resulting from any contractors being paid in violation of a stop payment notice because the County and Paying Agent were not timely notified of the need to withhold the appropriate amount from payment to that contractor.

5. Wire Instructions. Lincoln will require its Third Party Payees to provide wire instructions, including all required forms, to the Paying Agent for their payments within 15 days of execution of their contracts for the Lincoln-County Project. Lincoln will provide wire instructions, including all required forms, to the Paying Agent for its payments within 15 days of execution of this Agreement. Wire instructions must be executed by an authorized representative of the payee.

6. Dry Period Financing. If payments required from the Paying Agent Account would result in a cash flow shortfall, the County will make a request for dry period financing to the Paying Agent. The Paying Agent is authorized to obtain short-term borrowing to cover the cash flow via a dry period financing mechanism. The Paying Agent will take all steps necessary to implement the dry period financing as required, without limitation, including obtaining a resolution from the Placer County Board of Supervisors approving the dry period financing loan. All interest and financing charges for such a loan will be at County's expense.

EXHIBIT 6B – FORM OF PAYMENT REQUEST

REQUEST FOR PAYMENT

MID-WESTERN PLACER REGIONAL SEWER PROJECT

Request for Payment No. ____ Total Amount Requested: $_____

For Capital Costs during Period: _____ __, 20__ through _____ __, 20__

Pursuant to the Construction, Operations and Joint Exercise of Powers Agreement by and among the County of Placer and the City of Lincoln dated as of _____ __, 2013 (the "Agreement"), the undersigned officer of the City of Lincoln hereby represents and warrants to the County of Placer and the Paying Agent designated under the Agreement that:

1. Such officer is the _____ of the City of Lincoln and has been duly authorized by the City of Lincoln to submit this Request for Payment.

2. The documentation attached to this Request for Payment meets the requirements of the Agreement and is complete.

3. The City of Lincoln has approved the following amounts for payment, after any withholding by the City, as indicated to the following Third Party Payees:

Payee	**Invoiced Amount**	**Lincoln Withholding**	**Lincoln Approved Amount**	**Cost Category***
	$	$	$	
	$	$	$	
	$	$	$	
	$	$	$	
	$	$	$	

*Enter a number corresponding to the correct cost category below. For COJA Change Orders, enter both 7 and either 1 through 6 as applicable for the nature of the cost.

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

4. The City of Lincoln certifies that the City's approved amounts for payments to the Third Party Payees represent Capital Costs payable under the Agreement and that the appropriate cost category has been assigned to each payment above.

5. The City of Lincoln certifies that it is entitled to reimbursement of $_____ of its Allowable Staff Costs under the Agreement for this period. The estimated percentage completion of the Lincoln-County Project construction is __%. The total amount of Allowable Staff Costs paid to the City up to the period covered by this Request for Payment is $_____. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration).

6. If the last two columns of the table below is filled out, then the City of Lincoln requests a reallocation of budgeted funds among the line items of the Capital Charge, with adjusting total Capital Charge, as shown in the table below:

Capital Charge Line Item	**Current Budgeted Amount**	**Proposed Budgeted Amount**
DERA Costs (capped)	$	$
Project Management/Admin	$	$
Construction Work (Direct)	$	$
Construction Management	$	$
Engineering Services – Construction	$	$
Mitigations & Mitigation Monitoring	$	$
Inspection/Testing	$	$
Capital Contingency	$	$
Oversizing Contingency	$	$

7. The City of Lincoln certifies that all work covered by this Request for Payment was conducted in accordance with the Agreement.

8. Any amounts requested that are for a County Change have been authorized by the City of Lincoln and the County of Placer pursuant to applicable provisions of the Agreement.

9. To the best knowledge of the undersigned officer of the City of Lincoln, the representations, warranties and certifications in this Request for Payment are true and correct in all material respects.

Capitalized terms used herein and not otherwise defined have the meaning set forth in the Agreement.

The instructions for payment (account to be wired) for each Third Party Payee are as follows:

Payee	**Wire Instructions***

*If this is the first wire transfer to this payee or if this payee's wire transfer instructions have changed since the last payment, then also attach a copy of wire instructions from the payee on the payee's letterhead that is executed by a duly authorized office of the payee.

AGREED:

Dated: _____

CITY OF LINCOLN

By: _____
Name:
Title:

For use only by County below:

A. County Adjustments. Pursuant to Section 4.2.1(c) of the Agreement, the County of Placer makes the following adjustments to the amounts requested by Lincoln for payment:

A.1 Correction of Mathematical Errors:

[insert or mark N/A]

A.2 Independent Auditor Adjustments:

[insert or mark N/A]

A.3 County Withholding for Previous Payment Request:

[insert or mark N/A; note: must comply with COJA Section 4.2.1(c)(i)]

B. Approved Payments. The County approves the following amounts for payment by the Paying Agent:

B.1 Third Party Payees

Payee	County Approved Amount	Cost Category*
	$	
	$	
	$	
	$	
	$	

*Enter a number corresponding to the correct cost category below:

1 – Project Mngmt/Admin	3 – Construction Management	5 – Mitigations & Monitor	7 – COJA Change Order
2 – DERA Costs	4 – Construction Work (Direct)	6 – Inspection/Testing	

B.2 Allowable Staff Costs

County approves $_____ for payment to Lincoln for Allowable Staff Costs. Allowable Staff Costs are assigned to cost category 1 (Project Management/Administration).

AUTHORIZED BY:

_____
Name:
Title:
Date:

EXHIBIT 7A – LINCOLN'S INSURANCE REQUIREMENTS

Lincoln must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to the commencement of any construction work for the Lincoln-County Project, Lincoln must procure and maintain in force the following coverages through the Operations Period and provide the County with the appropriate certificate of insurance and related documents.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

1.1.1 Each Occurrence: $5,000,000

1.1.2 General Aggregate: $5,000,000

1.1.3 Products/Completed Operations Aggregate: $5,000,000

1.1.4 Personal and Advertising Injury: $5,000,000

Lincoln may utilize an excess liability policy (following form coverage) to meet the required limits of insurance. Insurance deductibles greater than $25,000 must be declared on the certificate of insurance and are subject to approval by the County.

The County and State of California must be named as an additional insured party. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the contractor's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least $1,000,000. The policy must name the County as an additional insured party. Coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Worker's Compensation. Workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the County. Such waiver of subrogation must be endorsed by the workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

1.3.1 $1,000,000 Each Accident for Bodily Injury by Accident

1.3.2 $1,000,000 Policy Limit for Bodily Injury by Disease

1.3.3 $1,000,000 Each Employee for Bodily Injury by Disease

1.4 Pollution Liability. Pollution/environmental liability insurance with limits of $2,000,000 covering liability arising from the sudden and accidental release of pollution on or near the sites of the Lincoln-County Project or Regional Facilities.

2. Lincoln must provide proof of insurance to the County.

2.1 Lincoln must furnish its certificate(s) of insurance to the County prior to commencing the construction work as evidence of the required insurance coverage. Neither the failure of the County to demand, nor the failure of Lincoln to furnish such certificates will relieve Lincoln of the obligation to procure and maintain insurance coverage as required by this Agreement.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

3. Lincoln must maintain the required insurance continuously during the effectiveness of this Agreement. However, Lincoln's liabilities under this Agreement are not limited in any manner to the insurance coverage required. Insurance is to be maintained with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the County.

5. Lincoln is responsible to pay the insurance deductibles required by its policies. If the County directs Lincoln to pay the insurance deductible, Lincoln must do so promptly and in accordance with policy requirements. If the County provides Lincoln with funds to enable the payment of an insurance deductible, County will be entitled to offset that amount against other amounts due to Lincoln or demand such amount to be promptly refunded.

EXHIBIT 7B – CONTRACTOR INSURANCE REQUIREMENTS

Lincoln's construction, operations and maintenance contractors must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to commencement of its work, the contractor must procure for its work and maintain in force the following coverages. The contractor may not commence work under its contract until ALL INSURANCE REQUIREMENTS are met and the City of Lincoln and Placer County have approved the appropriate certificate of insurance and related documents. The contractor must also require that all of its subcontractors of every tier procure and maintain the same insurance (other than builder's risk) for the duration of its contract with limits approved by the City of Lincoln and Placer County.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

1.1.1 Each Occurrence: $10,000,000 ($5,000,000 for operations contractors not constructing the facility and $1,000,00 for construction contractors performing under construction contracts with a contract price less than $15,000,000)

1.1.2 General Aggregate: $10,000,000 ($5,000,000 for operations contractors not constructing the facility and $1,000,00 for construction contractors performing under construction contracts with a contract price less than $15,000,000)

1.1.3 Products/Completed Operations Aggregate: $10,000,000 ($5,000,000 for operations contractors not constructing the facility and $1,000,00 for construction contractors performing under construction contracts with a contract price less than $15,000,000)

1.1.4 Personal and Advertising Injury: $10,000,000 ($5,000,000 for operations contractors not constructing the facility and $1,000,00 for construction contractors performing under construction contracts with a contract price less than $15,000,000)

Contractor may utilize an excess liability policy (following form coverage) to meet the required limits of insurance. Insurance deductibles greater than $25,000 must be declared on the certificate of insurance and are subject to approval by the Parties.

The City of Lincoln, Placer County and State of California must be named as additional insured parties. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the contractor's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least $1,000,000. The contractor must name the City of Lincoln and Placer County as additional insured parties. Coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Worker's Compensation. The contractor must procure and maintain workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the City of Lincoln and Placer County. Such waiver of subrogation must be endorsed by the contractor's workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

1.3.1 $1,000,000 Each Accident for Bodily Injury by Accident

1.3.2 $1,000,000 Policy Limit for Bodily Injury by Disease

1.3.3 $1,000,000 Each Employee for Bodily Injury by Disease

1.4 Professional Liability. For any construction contractor under a design-build contract and for any construction manager providing professional services insurable under a professional liability policy, the contractor must procure and maintain a policy of professional liability insurance with limits of not less than $2,000,000 per occurrence and $2,000,000 in aggregate. If that contractor subcontracts in support of the contractor's professional services, professional liability insurance must be provided by the professional services subcontractor in an amount not less than $2,000,000 in aggregate. The insurance coverage must contain language providing coverage up to one year following completion of the contract in order to provide insurance coverage for the contract's indemnity provisions if the policy is a claims-made policy.

1.5 Pollution Liability. The contractor must purchase and thereafter maintain pollution/environmental liability insurance with limits of $2,000,000 covering liability arising from the sudden and accidental release of pollution on or near the construction site.

1.6 Builder's Risk/Course of Construction. A policy of builder's risk/course of construction insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the construction project and no coinsurance penalty provisions. The builder's risk/course of construction insurance policy must name the City of Lincoln and Placer County as loss payees.

2. The contractor must provide proof of insurance to the City of Lincoln and Placer County.

2.1 The contractor must furnish its certificate(s) of insurance to the City of Lincoln and Placer County prior to commencing work as evidence of the required insurance coverage. Neither the failure of the City of Lincoln to demand, nor the failure of the contractor to furnish such certificates will relieve the contractor of the obligation to procure and maintain insurance coverage as required by its contract.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

3. The contractor must maintain the required insurance continuously during the life of its contract. However, the contractor's liabilities under its contract are not limited in any manner to the insurance coverage required. Insurance is to be placed with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the City of Lincoln and Placer County.

5. The contractor is responsible to pay the insurance deductibles required by its policies. If the City of Lincoln or Placer County directs the contractor to pay the insurance deductible, the contractor must do so promptly and in accordance with policy requirements. If the City of Lincoln or Placer County provide the contractor funds to enable the payment of an insurance deductible, such amount will be credited as a payment against the contractor's contract price or refunded by the contractor.

6. If the contractor fails to comply with these insurance requirements, the City of Lincoln will withhold any future progress payments due to the contractor until such time that the contractor is in compliance with these insurance requirements.

EXHIBIT 7C – DESIGNER INSURANCE REQUIREMENTS

Lincoln's design firms or consultants must comply with the following insurance requirements unless the County specifically approves a deviation in writing:

1. Prior to commencement of its services, the design firm or consultant must procure for its services and maintain in force the following coverages. The design firm or consultant may not commence or continue services under its contract until ALL INSURANCE REQUIREMENTS are met and the City of Lincoln and Placer County have approved the appropriate certificate of insurance and related documents. The design firm or consultant must also require that all of its subconsultants of every tier procure and maintain the same insurance for the duration of its contract with limits approved by the City of Lincoln and Placer County.

1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance with limits not less than:

1.1.1 Each Occurrence: $2,000,000

1.1.2 General Aggregate: $4,000,000

1.1.3 Products/Completed Operations Aggregate: $2,000,000

1.1.4 Personal and Advertising Injury: $2,000,000

Insurance deductibles greater than $25,000 must be declared on the certificate of insurance and are subject to approval by the Parties.

The City of Lincoln, Placer County and State of California must be named as additional insured parties. Additional insured endorsement ISO Form CG2010 11 85 or equivalent form must be attached to the certificate of insurance evidencing completed operations coverage in order to be valid.

The policy must contain a waiver of subrogation in favor of all additional insureds. Such waiver of subrogation must be endorsed by the firm's general liability insurance company on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

Coverage afforded must be primary and non-contributing with any other insurance maintained by the additional insured parties and the policy must provide for severability of interests. The severability of interest clause must state: "the term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurer's liability."

1.2 Automobile Liability. A policy of automobile liability insurance having a combined single limit of at least $1,000,000. The design firm or consultant must name the City of Lincoln and Placer County as additional insured parties. Coverage must provide for liabilities arising out of the use of hired and/or non-owned vehicles.

1.3 Umbrella/Excess Liability. An umbrella or excess policy covering at least the commercial general liability and automobile liability policies, written as "following form" or written on policies with coverage at least as broad as each and every one of the underlying policies,

including completed operations and contractual liability, with limits of at least $5,000,000 per occurrence and in the aggregate.

1.4 Worker's Compensation. The design firm or consultant must procure and maintain workers compensation insurance as required by applicable state law for employees engaged in work at the job site. The policy must provide a waiver of subrogation in favor of the City of Lincoln and Placer County. Such waiver of subrogation must be endorsed by the firm's workers compensation insurance company. In addition, employers liability insurance must be provided in amounts not less than:

1.4.1 $1,000,000 Each Accident for Bodily Injury by Accident

1.4.2 $1,000,000 Policy Limit for Bodily Injury by Disease

1.4.3 $1,000,000 Each Employee for Bodily Injury by Disease

1.5 Professional Liability. The design firm or consultant must procure and maintain a policy of professional liability insurance with limits of not less than $3,000,000 per occurrence and $3,000,000 in aggregate. If that design firm or consultant subcontracts in support of its professional services, professional liability insurance must be provided by the professional services subconsultant in an amount not less than $3,000,000 in aggregate. The insurance coverage must contain language providing coverage up to one year following completion of the contract in order to provide insurance coverage for the contract's indemnity provisions if the policy is a claims-made policy.

1.6 Pollution Liability. The design firm or consultant must purchase and thereafter maintain pollution/environmental liability insurance with limits of $3,000,000 covering liability arising from the sudden and accidental release of pollution on or near the construction site.

2. The design firm or consultant must provide proof of insurance to the City of Lincoln and Placer County.

2.1 The design firm or consultant must furnish its certificate(s) of insurance to the City of Lincoln and Placer County prior to commencing services as evidence of the required insurance coverage. Neither the failure of the City of Lincoln to demand, nor the failure of the design firm or consultant to furnish such certificates will relieve the design firm or consultant of the obligation to procure and maintain liability insurance coverage as required by its contract.

2.2 The certificate of insurance for the County will be made to:

Certificate Holder: The County of Placer
c/o Risk Management

Address: 145 Fulweiler Avenue Suite #100
Auburn CA 95603

3. The design firm or consultant must maintain the required insurance continuously during the life of its contract. However, the design firm's or consultant's liabilities under its contract are not limited in any manner to the insurance coverage required. Insurance is to be placed with insurers having at least an A-VII or greater policyholder's rating in accordance with the current

A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to the City of Lincoln and Placer County.

5. The design firm or consultant is responsible to pay the insurance deductibles required by its policies. If the City of Lincoln or Placer County directs the design firm or consultant to pay the insurance deductible, the design firm or consultant must do so promptly and in accordance with policy requirements. If the City of Lincoln or Placer County provide the design firm or consultant funds to enable the payment of an insurance deductible, such amount will be credited as a payment against amounts due to the design firm or consultant or refunded by the design firm or consultant.

6. If the design firm or consultant fails to comply with these insurance requirements, the City of Lincoln will withhold any future payments due to the design firm or consultant until such time that the design firm or consultant is in compliance with these insurance requirements.

EXHIBIT 7D – COUNTY'S INSURANCE REQUIREMENTS

For the period stated in the Agreement, County must comply with the following insurance requirements unless Lincoln specifically approves a deviation in writing:

1. County must maintain in force the following coverages and provide Lincoln with the appropriate certificate of insurance and related documents.

1.1 Commercial General Liability Insurance. County self-insures for its basic commercial general liability (CGL) coverage under a fully qualified program. County carries an excess insurance policy covering excess CGL liability, as described below.

1.2 Automobile Liability. County self-insures for its basic automobile liability coverage under a fully qualified program. County carries an excess insurance policy covering excess automobile liability, as described below. Automobile liability coverage must provide for the loading and unloading of vehicles and liabilities arising out of the use of hired and/or non-owned vehicles in connection with County's operations at the SMD 1 WWTP Site.

1.3 Worker's Compensation. County self-insures for workers compensation coverage pursuant to applicable state law, and this covers its employees engaged in work at the SMD 1 WWTP Site. County's worker's compensation coverage must provide a waiver of subrogation in favor of Lincoln. County also carries an excess insurance policy covering employer's liability excess of a $300,000 self-insured retention, with excess limits as follows:

1.3.1	$1,000,000	Each Accident for Bodily Injury by Accident
1.3.2	$1,000,000	Policy Limit for Bodily Injury by Disease
1.3.3	$1,000,000	Each Employee for Bodily Injury by Disease
1.3.4	$2,000,000	Aggregate.

1.4 Excess Liability. County carries an excess liability policy covering the County's CGL and automobile liability, with a self-insured retention of $1,000,000 and an excess limit of at least $5,000,000 per occurrence and in the aggregate.

The policy must contain a waiver of subrogation in favor of Lincoln. Such waiver of subrogation must be endorsed by the insurer on ISO Form CG 24 04 10/93 "Waiver of Transfer of Rights of Recovery Against Others to Us" or its equivalent.

2. County must provide proof of insurance to Lincoln. County must furnish its certificate(s) of insurance to County promptly after the effective date of this Agreement. Neither the failure of Lincoln to demand, nor the failure of County to furnish such certificates will relieve County of the obligation to procure and maintain insurance coverage as required by this Agreement.

3. County's liabilities under this Agreement are not limited in any manner to the insurance coverage required. Excess liability insurance is to be maintained with insurers having at least an A-VII or greater policyholder's rating in accordance with the current A. M. Best Rating Guide, or equivalent insurer rating service. In addition, any and all excess liability insurers must be authorized to conduct business in the state of California.

4. Each required insurance policy must be endorsed to state that coverage will not be suspended, voided, cancelled, reduced in coverage or limits except after a 30 day prior written notice, 10 days for non-payment of premium, has been submitted to Lincoln.

5. County is responsible to pay the insurance deductibles required by its policies. If Lincoln directs County to pay its insurance deductible, County must do so promptly and in accordance with policy requirements. If Lincoln provides County with funds to enable the payment of an insurance deductible, Lincoln will be entitled to offset that amount against other amounts due to County or demand such amount to be promptly refunded.

EXHIBIT 8 – REQUIRED FORMS OF CONTRACTOR PAYMENT AND PERFORMANCE BONDS

See attached.

PAYMENT BOND

Know All Persons by These Presents: **Bond No:**

THAT WHEREAS, the City of Lincoln awarded to _____ (the "Contractor") a contract dated as of _____ __, 20__ (the "Contract") for the following work: [insert basic description of work].

AND WHEREAS, said Contractor is required by the Contract and the provisions of Chapter 5 (commencing with Section 9550) of Title 3, Part 6, Division 4, of the Civil Code, to furnish a bond in connection with said Contract, which Contract is incorporated herein by this reference;

NOW, THEREFORE, We, the undersigned Contractor and Surety are held and firmly bound unto the City of Lincoln, its successors and assigns in the sum of _____ **Dollars ($_____)** for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of this obligation is such that if said Contractor, its heirs, executors, administrators, successors or assigns, or subcontractors, shall fail to pay for any materials, provisions, equipment or other supplies or teams, implements or machinery used in, upon, or for the performance of the work of the Contract, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, as required by the provisions of Chapter 5 (commencing with Section 9550) of Title 3, Part 6, Division 4, of the Civil Code, and provided that the claimant shall have complied with the provisions of said Code, the Surety hereon will pay for the same in an amount not exceeding the sum specified in this bond; OTHERWISE, the above obligation shall be void.

In case suit is brought upon this bond, the Surety will pay all court costs, expenses and the reasonable attorney's fees fixed by the court in the event the claimant is deemed to be the prevailing party. This bond shall insure to the benefit of any and all persons, companies or corporations entitled to file claims under section 9100 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this ____ day of _____, 20____.

CONTRACTOR:	**SURETY:**
_____	_____
By: _____	By: _____
Its: _____	Its: _____

Address of Surety for Service of Notice and/or Process

_____

Surety California Secretary of State Corporation Number: _____

Contractor Secretary of State Corporation Number: _____

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

BOND OF FAITHFUL PERFORMANCE

Know All Persons by These Presents: **Bond No:**

THAT WHEREAS, the City of Lincoln awarded to _____ (the "Contractor") a contract dated as of _____ __, 20__ (the "Contract") for the following work: [insert basic description of work].

AND WHEREAS, the Contractor is required to furnish a bond in connection with the Contract guaranteeing the faithful performance thereof, which Contract is incorporated herein by this reference;

NOW, THEREFORE, We the undersigned Contractor and Surety, are held and firmly bound unto the City of Lincoln, in the sum of _____ **Dollars ($_____),** to be paid to the said City, its successors and assigns; for the payment of said sum in performance of said Contract, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly be these presents.

The condition of this obligation is such that if the Contractor, its heirs, executors, administrators, successors or assigns shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract and any alteration thereof made as therein provided, on its part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Lincoln, its officers, agents and other parties to be indemnified under the Contract, as therein stipulated, then this obligation shall become and be null and void; OTHERWISE, it shall be and remain in full force and effect.

In case suit is brought upon this bond, the Surety shall pay all court costs, expenses and the reasonable attorney's fees fixed by the court in the event the claimant is deemed to be the prevailing party.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contact or to the work or to the specifications.

The attached "Dual Obligee Rider" is incorporated as part of this bond.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this ____ day of _____, 20____.

CONTRACTOR:	**SURETY:**
_____	_____
By: _____	By: _____
Its: _____	Its: _____

Address of Surety for Service of Notice and/or Process

_____

Surety California Secretary of State Corporation Number: _____

Contractor Secretary of State Corporation Number: _____

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

DUAL OBLIGEE RIDER
(To be attached to Performance Bond at time of issuance)

TO BE ATTACHED TO AND FORM PART OF Bond No._____, dated concurrently with the execution of this Rider, by _____, as Surety, on behalf of _____, as Contractor, and in favor of the City of Lincoln ("Primary Obligee") and the County of Placer ("Additional Obligee"), as Obligees.

IT IS HEREBY UNDERSTOOD AND AGREED that the performance bond to which this is Rider is attached ("Bond") is hereby amended to include the following:

1. Notwithstanding anything contained in the Bond to the contrary, but subject to section 3 below, there shall be no liability on the part of the Surety under this Bond to the Obligees, or either of them, unless the Obligees, or either of them, shall make payments to the Principal, or to the Surety in case it arranges for completion of the Contract upon default of the Principal, as required under the Contract and this Rider, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner therein set forth.

2. The Additional Obligee is an obligee of the Bond and shall have the right to enforce the Bond against the Surety. If the Additional Obligee notifies the Surety in writing that the Additional Obligee has taken the Contract by assignment, then the Primary Obligee's interest in the Bond will cease, the Surety will deal with the Additional Obligee rather than the Primary Obligee on all matters relating to this Bond, and the Surety will make any payments to the Additional Obligee rather than the Primary Obligee. No knowledge, acts or omissions of the Primary Obligee will be imputed to the Additional Obligee.

3. a. Prior to the Surety asserting any defense to enforcement of the Bond arising out of or related to the failure of the Primary Obligee to fulfill an obligation under the Contract, the Surety shall give written notice to the Additional Obligee of the alleged defense(s) and the underlying facts and circumstances supporting such alleged defense(s). Failure of the Surety to provide such written notice within twenty calendar days of the Additional Obligee's demand for Surety to perform under the Bond will constitute a waiver by the Surety of any defense to enforcement of the Bond by the Additional Obligee.

b. For purposes of this Bond, the Additional Obligee shall have the right to cure any alleged failures of the Primary Obligee to fulfill Primary Obligee's obligations under the Contract, with or without a reservation of rights to dispute the Surety's defense(s) to enforcement of this Bond. Provided the Additional Obligee has reasonably cured any material failure of the Primary Obligee to fulfill its obligations under the Contract, with or without a reservation of rights, the Surety will promptly proceed to fulfill the Surety's obligations under the Bond.

c. If the Additional Obligee reasonably cures any material failure of the Primary Obligee to fulfill its obligations under the Contract under a reservation of rights, then after the work required under the Contract has been completed in accordance with the Contract's requirements, the Additional Obligee may bring an action against the Surety to determine the validity of the Surety's defenses to the enforcement of the Bond alleged to the Additional Obligee and recover any damages allowed under law, subject to the overall penal sum of the Bond.

4. In no event shall the liability of the Surety to the Obligees, or either of them, in the aggregate, exceed the penal sum of the Bond.

5. Nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Bond except as set forth hereinabove. In the event of a conflict between the Bond and this Rider, the parties agree that this Rider shall govern and control. All references to the Bond, either in the Bond or in this Rider, shall include and refer to the Bond as supplemented and amended by this Rider. Except as provided by this Rider, all other terms and conditions of the Bond remain in full force and effect.

This Rider may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and some instrument.

SIGNED, SEALED AND DATED this ____ day of _____, 20_____.

CONTRACTOR:

Signature: _____

Name and Title: _____

SURETY:

Signature: _____
Attorney-in-Fact

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

Agreed to and accepted by:

PRIMARY OBLIGEE:

Signature: _____

Name and Title: _____

ADDITIONAL OBLIGEE:

Signature: _____

Name and Title**:** _____

Notice Address:

The County of Placer
c/o Risk Management
145 Fulweiler Avenue Suite #100
Auburn CA 95603

EXHIBIT 9 – R&R STUDY

See attached.

MID-WESTERN PLACER REGIONAL SEWER PROJECT REPAIR AND REPLACEMENT STUDY

OCTOBER 7, 2013

Placer County California

City of Lincoln

Prepared by:

Capitol | PFG
2436 Professional Drive, Suite 300
Roseville, CA 95661
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PURPOSE OF THE REPORT

Proper sewer system repair and replacement ("R&R") can save a community from large expenditures required to replace deteriorated infrastructure and extend the useful life of the system. This report will identify the estimated R&R needs over the first 30 year life of the Mid-Western Placer Regional Sewer Project ("MWPRSP"), from the plant's inception in 2004 through 2034.

Furthermore, a funding mechanism needs to be established in order to ensure that adequate funds are available to pay for the anticipated R&R needs that benefit current ratepayers. Such funds should be accumulated in an orderly manner and drawn down on as required to fund R&R projects without the need to abruptly increase sewer service rate charges. This report will establish a funding plan whereby each partner utilizing the MWPRSP will provide their share of future R&R costs.

An R&R plan should be re-evaluated at least every five years to ensure potential expenditures are identified and a sufficient revenue stream exists. Neglect in identifying potential R&R projects can result in unexpected capital costs and insufficient funding. Inadequate R&R funding can result in a deferral of necessary equipment repair and replacement and the need to borrow money, resulting in additional costs.

With the MWPRSP, such costs should be equitably shared between the City of Lincoln and Placer County SMD 1 users. This report will set forth a plan for dividing the costs between the partners based on proportional utilization of the Lincoln Wastewater Treatment and Recycling Facility ("WWTRF"). As each partner's proportional utilization will change regularly, the actual division of R&R funding responsibilities should be adjusted accordingly.

ANTICIPATED R&R PROJECTS AND ESTIMATED COSTS

WWTRF Projects

The Lincoln WWTRF was placed in service in June 2004. Over the first 30 years of operations of the plant, several R&R projects will be required in order to repair and replace deteriorated infrastructure and extend the useful life of the facility.

An evaluation of the WWTRF was conducted by Stantec to determine anticipated R&R projects that may be needed through FY 2034-35 and the estimated cost of such projects, expressed in 2013 dollars. Such projects are separated into two categories:

A) R&R projects related to existing treatment plant components
B) R&R projects related to new plant components

For any project costing $100,000 or more, additional soft costs of 25% of the project cost were added to account for engineering and procurement services. Plus an additional $25,000 expenditure every 5 years was included in Category B to fund the cost of the engineering, analysis and the preparation of ongoing R&R studies. The evaluation also provided an estimate of the anticipated timeline by which project expenditures were likely to occur, broken down into 5 year windows.

As shown in ***Table 1***, a total of $9.9 million of costs for Category A WWTRF projects were identified over the next 20 years. A detailed listing of these projects is provided as ***Appendix A.***

TABLE 1

CATEGORY A Existing Lincoln WWTRF R&R Projects				
5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
$1,326,500	$2,717,000	$3,450,000	$2,405,000	$9,898,500

Costs provided by Stantec as of October 3, 2013 and expressed in 2013 dollars.

As shown in ***Table 2***, a total of $4.6 million of costs for Category B WWTRF projects were identified over the next 20 years. A detailed listing of these projects is provided as ***Appendix B.***

TABLE 2

CATEGORY B New Lincoln WWTRF R&R Projects				
5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
$144,000	$483,000	$616,000	$3,335,000	$4,578,000

Costs provided by Stantec as of October 3, 2013 and expressed in 2013 dollars.

Pipeline and Pump Station Projects

In addition to the evaluation of the WWTRF, Stantec also completed an evaluation of the anticipated R&R projects and estimated costs over the next 20 years related to the regional pipeline and SMD 1 pump station. As with the WWTRF, for any project costing $100,000 or more, additional soft costs of 25% of the project cost were added to account for engineering and procurement services. Plus, an additional expenditure of $15,000 every 5 years was included to fund ongoing R&R studies. As shown in ***Tables 3 and 4***, a total of $150,000 of costs were identified related to the regional pipeline and $1.5 million of costs related to the SMD 1 pump station. A detailed listing of these projects is provided as ***Appendix C***.

TABLE 3

Regional Pipeline R&R Projects				
5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
$15,000	$35,000	$40,000	$60,000	$150,000

Costs provided by Stantec as of August 8, 2013 and expressed in 2013 dollars.

TABLE 4

SMD 1 Pump Station R&R Projects				
5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
$125,000	$450,000	$110,000	$764,500	$1,449,500

Costs provided by Stantec as of August 8, 2013 and expressed in 2013 dollars.

Spreading Costs Over 30 Year Study Window (2004-2034)

For the purposes of estimating the annual funding needs and resulting cash flow, WWTRF project expenditures in each 5 year increment were distributed over 5 year periods in even amounts, as shown in ***Chart 1***. For example, the $1.3 million of Category A expenditures identified in year 5, were allocated with even annual expenditures of $265,300 from 2016 through 2020. Such expenditures are shown in 2013 dollars.

As with the WWTRF, the regional pipeline and SMD 1 pump station R&R project expenditures in each 5 year increment were distributed in 5 year periods in even amounts, as shown in ***Chart 2***.

CHART 1

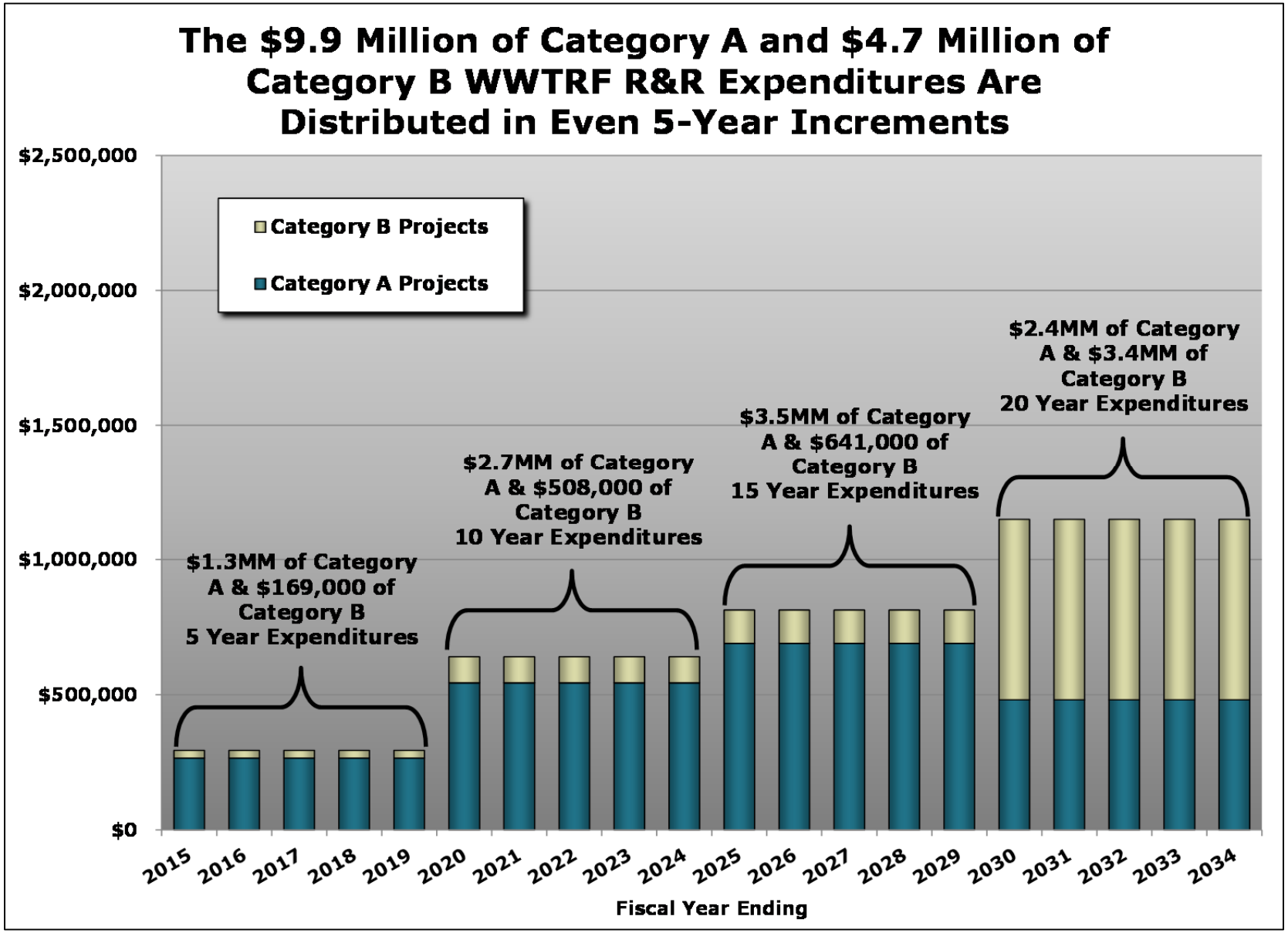
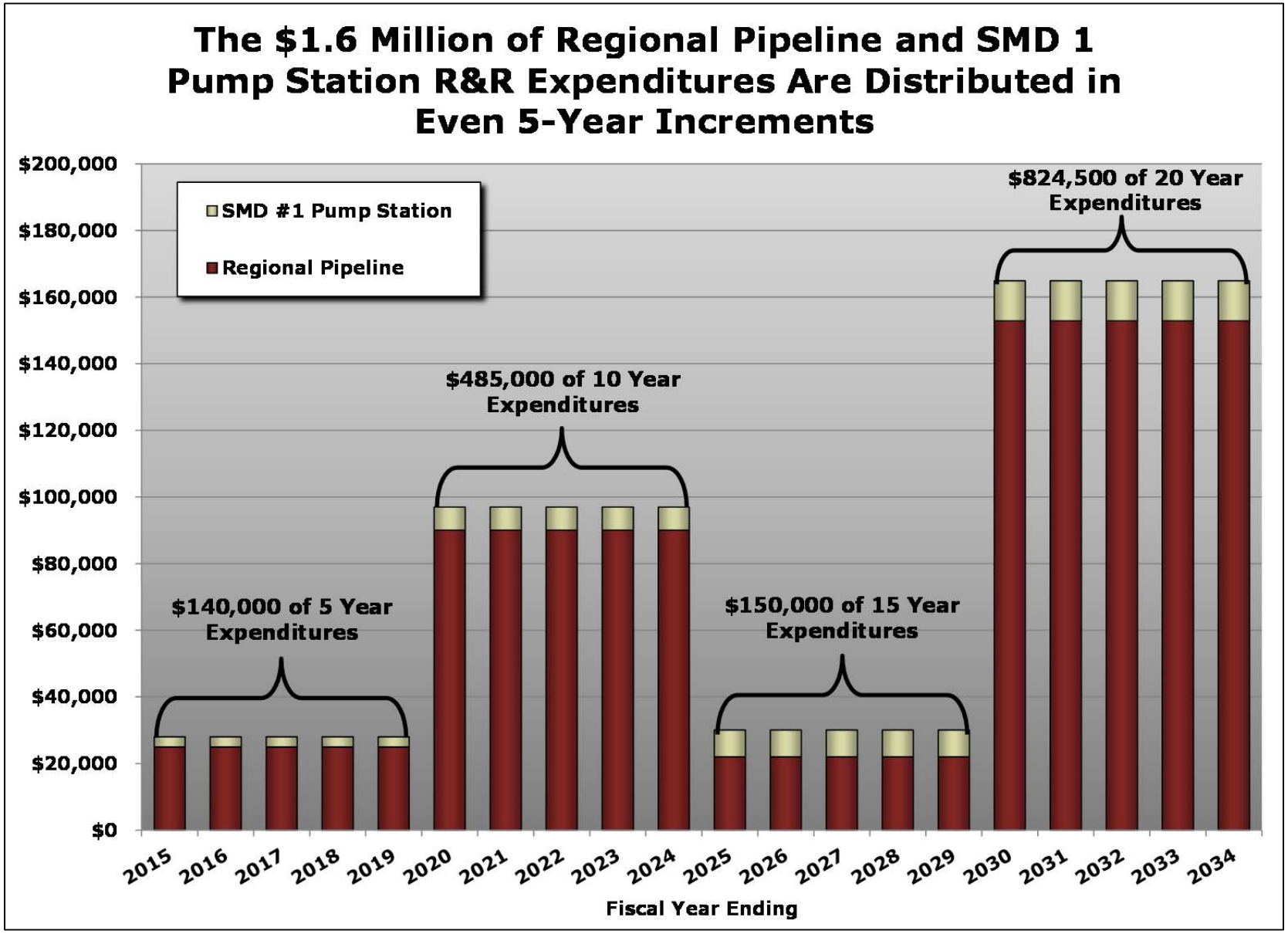

The $9.9 Million of Category A and $4.7 Million of Category B WWTRF R&R Expenditures Are Distributed in Even 5-Year Increments
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
Category B Projects
Category A Projects
$1.3MM of Category A & $169,000 of Category B 5 Year Expenditures
$2.7MM of Category A & $508,000 of Category B 10 Year Expenditures
$3.5MM of Category A & $641,000 of Category B 15 Year Expenditures
$2.4MM of Category A & $3.4MM of Category B 20 Year Expenditures
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Fiscal Year Ending

CHART 2


The $1.6 Million of Regional Pipeline and SMD 1 Pump Station R&R Expenditures Are Distributed in Even 5-Year Increments
$200,000
$180,000
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
SMD #1 Pump Station
Regional Pipeline
$140,000 of 5 Year Expenditures
$485,000 of 10 Year Expenditures
$150,000 of 15 Year Expenditures
$824,500 of 20 Year Expenditures
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Fiscal Year Ending

ANNUAL PROJECTED FUNDING REQUIREMENTS

At the time R&R projects must be completed, each partner will be responsible for a portion of the project costs.

- **Category A WWTRF Projects** – funding responsibility will be based on the timeframe each partner has utilized the WWTRF and each partner's proportional share of Committed EDUs, as defined in the Construction, Operations and Joint Exercise of Powers Agreement ("COJA"), at the time the R&R project is completed, based on the following formula:

  Lincoln Share of R&R Costs = X *(11/(Y-2004)+(Y-2015)/(Y-2004)*A/(A+B))
  SMD 1 Share of R&R Costs = X*((Y-2015)/(Y-2004)*B/(A+B))

  Where:
  X = Cost of R&R Project
  A = Lincoln number of committed EDUs at time of R&R project
  B = SMD 1 number of committed EDUs at time of R&R project
  Y = Project year

- **Category B WWTRF Projects** – funding responsibility will be based on each partner's proportional share of committed EDUs at the time the R&R project is completed, based on the following formula:

  Lincoln Share of R&R Costs = X*A/(A+B)
  SMD 1 Share of R&R Costs = X*B/(A+B)

- **Regional Pipeline and SMD 1 Pump Station** – funding responsibility is exclusive to SMD 1 as described in the COJA.

After applying the above formula for calculating the allocation of Category A and B WWTRF R&R projects and applying each partner's current proportion of committed EDUs (Lincoln's committed EDUs of 22,422, SMD 1's committed EDUs of 8,094), the City of Lincoln would be responsible for:

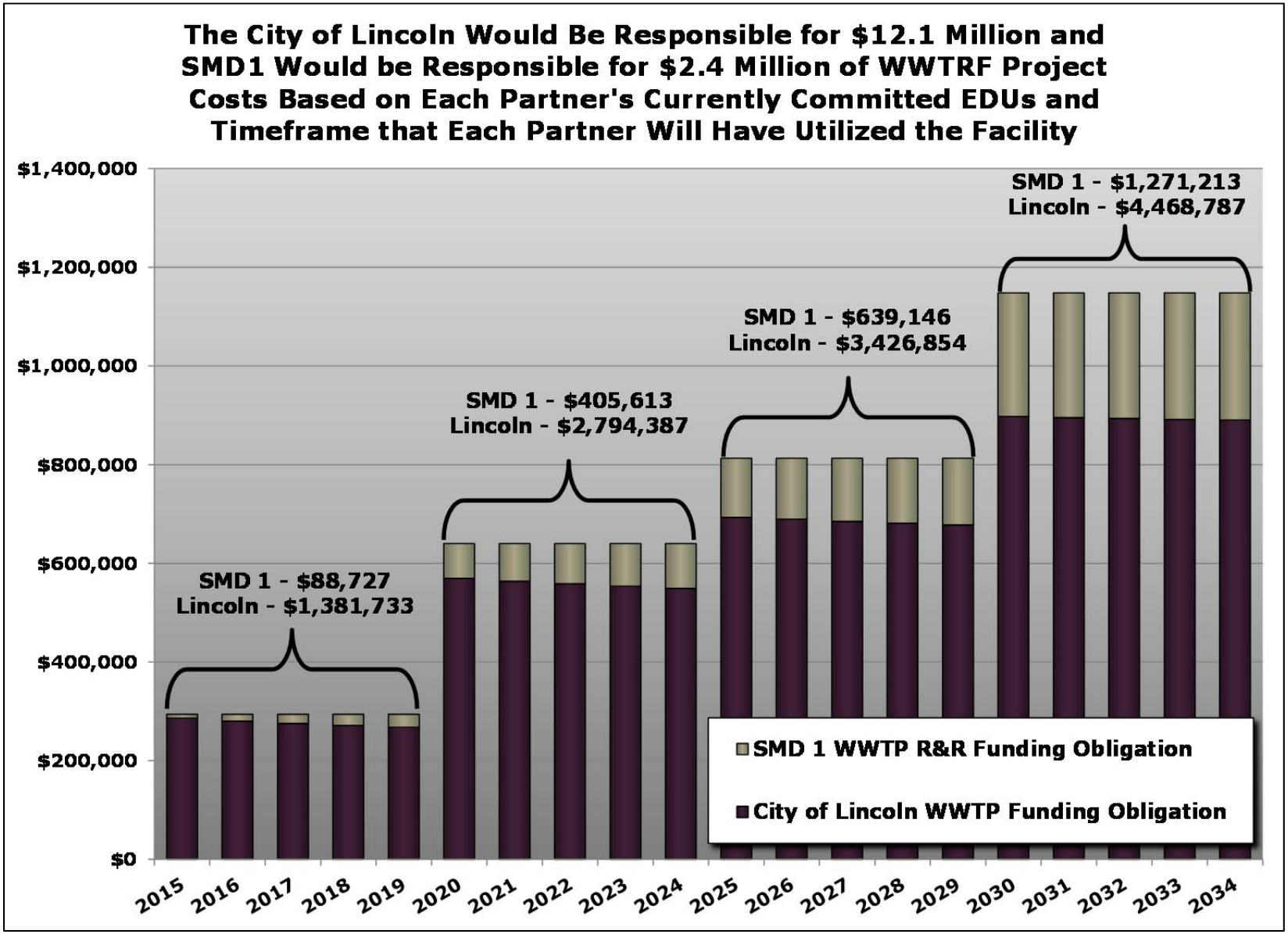
Category A WWTRF Projects - $8,708,053
Category B WWTRF Projects - $3,363,748
Total -$12,071,801

SMD 1 would be responsible for:

Category A WWTRF Projects - $1,190,447
Category B WWTRF Projects - $1,214,252
Pipeline and Pump Station Projects - $1,599,500
Total - $4,004,199

As shown in ***Chart 3***, the City of Lincoln's WWTRF funding requirement over the first 5 years is $1,381,773 and SMD 1's WWTRF funding requirement is $88,727.

CHART 3


The City of Lincoln Would Be Responsible for $12.1 Million and SMD1 Would be Responsible for $2.4 Million of WWTRF Project Costs Based on Each Partner's Currently Committed EDUs and Timeframe that Each Partner Will Have Utilized the Facility
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
SMD 1 - $88,727
Lincoln - $1,381,733
SMD 1 - $405,613
Lincoln - $2,794,387
SMD 1 - $639,146
Lincoln - $3,426,854
SMD 1 - $1,271,213
Lincoln - $4,468,787
SMD 1 WWTP R&R Funding Obligation
City of Lincoln WWTP Funding Obligation
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034

PROJECTED R&R SET ASIDE FUNDS

Since the annual R&R funding requirements vary over time, it is important to develop a plan to fund ongoing R&R needs over time and ensure that adequate funding is available to meet expenditure requirements without incurring additional financing costs. With sound financial planning, an agency is able to set aside sufficient funds on an ongoing basis to meet R&R expenditure requirements, eliminate borrowing costs and avoid abrupt changes in sewer rates. Such set-asides can be held in designated reserve accounts, earning interest, and drawn upon as R&R project expenditures arise.

This section of the report will demonstrate the ongoing set asides needed from the City of Lincoln and Placer County SMD 1 users in order to cash fund all anticipated R&R project expenditures without requiring a borrowing based on the annual funding requirements previously described. This analysis allocates set-aside requirements evenly each year, over the remaining 20 years of the study period, assuming that the only increase in the annual contribution will be due to construction cost inflation.

WWTRF

Since the future proportion of each partner's usage of the treatment plant is unknown at this time, the current estimated proportion of capacity utilization is used to calculate each partner's share of costs. To avoid abrupt changes in sewer rates and avoid the need for a borrowing to fund R&R project expenditures, each partner can plan on collecting and setting aside R&R funds annually that can then be applied based on project funding requirements.

The City of Lincoln will be responsible for R&R funds for the portion of R&R costs distributed from FY 2004-05 until the SMD 1 users are expected to join into the system in FY 2015-16. The City of Lincoln's combined Category A and B WWTRF funding requirement is $12,071,801. Spreading this cost evenly from 2015-16 through 2034-35 would results in equal annual set-asides of approximately $635,000. SMD 1's total WWTRF funding obligation totals $2,404,699, which would equate to annual set-asides of approximately $127,000. The annual set-asides should be adjusted for construction cost inflation.

Regional Pipeline and SMD 1 Pump Station

The regional pipeline and SMD 1 pump station total R&R funding requirement is estimated to be $1.6 million of projects over the next 20 years. SMD 1 would need to set aside approximately $80,000 per year for these future R&R projects, expressed in 2013 dollars. The City of Lincoln users would not be responsible for any of these project costs. In total, SMD 1 would need to set aside approximately $228,000 per year for all R&R costs.

IMPLEMENTATION

Inflation Adjustment

This R&R analysis contemplates all project costs and set-aside amounts in 2013 dollars, as of September 2013. Actual construction costs will increase over time with to construction inflation and as a result, the annual contribution will need to increase accordingly. Over the past 10 years, the Engineering News Record ("ENR") 20-Cities Construction Cost Index has increased by an average annual rate of approximately 3.5%, as shown in ***Chart 4***, with the September 2013 index at 9,552.

Since the actual construction cost escalation rate is unknown at this time, the amount of funds set-aside each year should be adjusted annually based on the actual construction cost escalation rate and the overall R&R projects and required set-aside amount should be evaluated periodically, at least every 5 years.

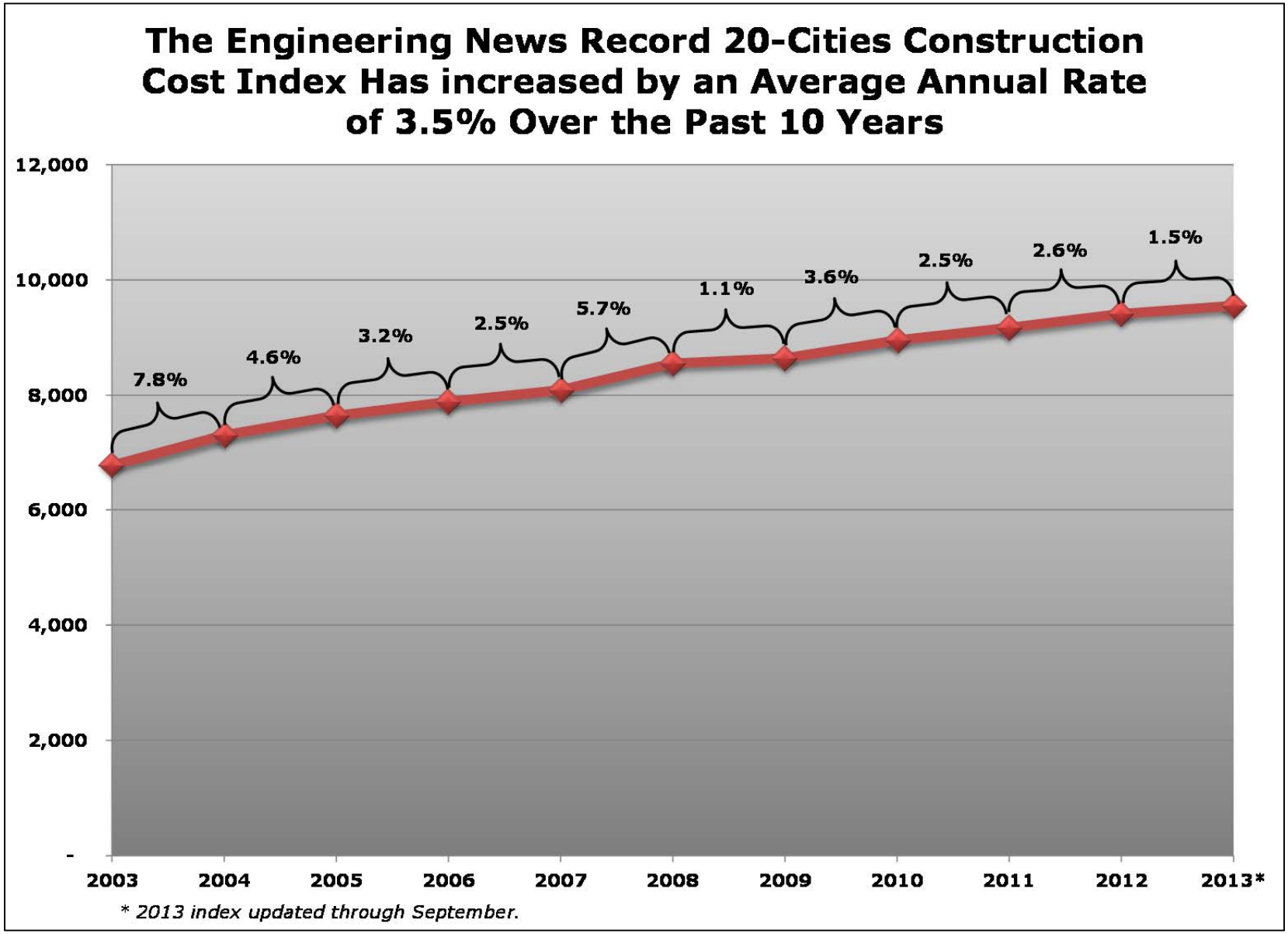
Designated Reserve Fund

Annual R&R set-asides can be held in a designated reserve fund so they are committed toward the future R&R expenditures and not utilized for other funding needs, except on an emergency or cash flow basis. Each agency should consider a mechanism for formally designating such reserves and providing policies for how such reserves can be utilized and reimbursed. The specific funding plan for each agency's required R&R funding is described as an exhibit to the COJA.

Interest Earnings

Interest will be earned on fund balances on any designated R&R reserves. As with construction cost escalation, the actual earnings rate is unknown at this time. These interest earnings can be used to offset additional contributions required due to construction cost escalation. As the R&R set-aside amount should be revisited periodically, any future analysis should take into consideration existing fund balances, including interest earnings, that can be applied toward future R&R project expenditures.

CHART 4


The Engineering News Record 20-Cities Construction Cost Index Has increased by an Average Annual Rate of 3.5% Over the Past 10 Years
12,000
10,000
8,000
6,000
4,000
2,000
-
7.8%
4.6%
3.2%
2.5%
5.7%
1.1%
3.6%
2.5%
2.6%
1.5%
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013*
* 2013 index updated through September.

APPENDIX A: CATEGORY A EXISTING WWTRF PROJECTS AND COSTS

CATEGORY A Existing Lincoln WWTRF R&R Projects							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
HVAC for MCC-100 Structure	Control 100 Control Pnls Headwrks/Biofltrs	$5,000				**$5,000**	*$5,000*
HVAC for MCC-200 Structure	Control 200 Control Pnls Sec. Treatment	$5,000				**$5,000**	*$5,000*
HVAC for MCC-300,400 Structure	Control 300 Advanced Treatment Panels	$5,000				**$5,000**	*$5,000*
HVAC Unit 1 UV Building	Control 400 UV and Effluent Control Panels	$5,000				**$5,000**	*$5,000*
HVAC Unit 2 UV Building	Control 400 UV and Effluent Control Panels	$5,000				**$5,000**	*$5,000*
HVAC Unit 3 UV Building	Control 400 UV and Effluent Control Panels	$5,000				**$5,000**	*$5,000*
HVAC for MCC 480 Structure	Control 480 Reclaimed Controls		$5,000			**$5,000**	*$5,000*
HVAC for MCC 500 room	Control 500 Chems/Util/Yard Cntrl Pnls		$5,000			**$5,000**	*$5,000*
HVAC #1/#2 Admin bldg (BOD)	Administration Building		$5,000			**$5,000**	*$5,000*
HVAC #4 Admin bldg (bioassay)	Administration Building		$5,000			**$5,000**	*$5,000*
HVAC #2 Admin bldg (womens RR)	Administration Building		$5,000			**$5,000**	*$5,000*
HVAC #3 Admin bldg (lab)	Administration Building		$5,000			**$5,000**	*$5,000*
HVAC for MCC 700 Structure	Control 700 Solids Handling Control Pnls		$5,000			**$5,000**	*$5,000*
Oxidation Ditch Rotor 1A	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 1B	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 1C	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 1D	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 1E	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 1F	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2A	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2B	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2C	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2D	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2E	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Oxidation Ditch Rotor 2F	Oxidation Ditch 2		$10,000			**$10,000**	*$10,000*
Reaeration Basin Aerator 1A	Reaeration Basin 1			$5,000		**$5,000**	*$5,000*
Reaeration Basin Aerator 1B	Reaeration Basin 1			$5,000		**$5,000**	*$5,000*
Reaeration Basin Aerator 1C	Reaeration Basin 1			$5,000		**$5,000**	*$5,000*
Diffusers, Fine Bubble	Solids Holding Tanks			$5,000		**$5,000**	*$5,000*
Emer Stor Basin Aerator 1A	Emergency Storage Basin			$5,000		**$5,000**	*$5,000*
Emer Stor Basin Aerator 1B	Emergency Storage Basin			$5,000		**$5,000**	*$5,000*
Emer Stor Basin Aerator 1C	Emergency Storage Basin			$5,000		**$5,000**	*$5,000*

CATEGORY A Existing Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
Emer Stor Basin Aerator 1D	Emergency Storage Basin			$5,000		**$5,000**	*$5,000*
Filters/Clarifiers	Tertiary Filters			$50,000		**$50,000**	*$50,000*
Filter blower 1B	Tertiary Filter Support Equip.		$25,000		$175,000	**$200,000**	*$175,000*
SHT/Centrifuge/Greenhouses	Centrifuge Solids Dewatering			$100,000		**$100,000**	*$100,000*
UV/Plant Water PS	UV Disinfection Unit 1 (Ch1-3)			$25,000		**$25,000**	*$25,000*
Bio Filter	Biofilter Filter System	$20,000				**$20,000**	*$20,000*
Underground Bioscrubber	Adjacent to the Headworks		$40,000			**$40,000**	*$40,000*
Building 480	Reclamation Booster PS		$25,000	$50,000		**$75,000**	*$50,000*
Solids Holding Tank Blower 1A	Solids Holding Tanks		$20,000			**$20,000**	*$20,000*
Solids Holding Tank Blower 1B	Solids Holding Tanks		$20,000			**$20,000**	*$20,000*
Solids Holding Tank Blower 1C	Solids Holding Tanks		$20,000			**$20,000**	*$20,000*
DAF Air Compressor 1A	DAF Unit 1	$25,000		$65,000		**$90,000**	*$65,000*
DAF Air Compressor 1B	DAF Unit 1		$25,000		$65,000	**$90,000**	*$65,000*
Filter Air Compressor 1	Tertiary Filter Support Equip.	$10,000				**$10,000**	*$10,000*
Filter Air Compressor 2	Tertiary Filter Support Equip.	$10,000				**$10,000**	*$10,000*
UV Air Compressor 1A	UV Disinfection Unit 1 (Ch1-3)	$10,000				**$10,000**	*$10,000*
Solids Dewatering Air Comp1	Sludge Pump Centrifuge Area	$90,000				**$90,000**	*$90,000*
Solids Dewatering Air Comp2	Sludge Pump Centrifuge Area	$90,000				**$90,000**	*$90,000*
De-watering Centrifuge 1	Centrifuge Solids Dewatering	$100,000		$725,000		**$825,000**	*$725,000*
De-watering Centrifuge 3	Centrifuge Solids Dewatering		$100,000		$725,000	**$825,000**	*$725,000*
Pivot Drive 1	Pivot Assemblies 1 & 2		$50,000			**$50,000**	*$50,000*
Pivot Drive 2	Pivot Assemblies 1 & 2		$50,000			**$50,000**	*$50,000*
Tertiary Filter 1	Tertiary Filters		$312,500			**$312,500**	*$312,500*
Standby Generator	Stand-by Power Generation	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
Influent Pump Hoist	Influent Collection Structure	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
UV Bridge Crane 1	UV Disinfection Unit 1 (Ch1-3)	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
UV Bridge Crane 2	UV Disinfection Unit 2 (Ch4&5)	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
Davit Crane	Plant Drain Pump Station		$10,000			**$10,000**	*$10,000*
Effluent Pump Hoist	Effluent Pump Station	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
Centrifuge Bridge Crane	Centrifuge Solids Dewatering	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
Shop Hoist	Shop/ Maintenance Building	$7,500	$7,500	$7,500	$7,500	**$30,000**	*$7,500*
Godwin 4" Portable Pump	Plantwide General & Portable Equip		$12,500			**$12,500**	*$12,500*
UV Channel 1 Inlet Gate	UV Disinfection Unit 1 (Ch1-3)			$15,000		**$15,000**	*$15,000*
UV Channel 2 Inlet Gate	UV Disinfection Unit 1 (Ch1-3)			$15,000		**$15,000**	*$15,000*
UV Channel 3 Inlet Gate	UV Disinfection Unit 1 (Ch1-3)			$15,000		**$15,000**	*$15,000*

CATEGORY A Existing Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
UV Channel 4 Inlet Gate	UV Disinfection Unit 2 (Ch4&5)			$15,000		**$15,000**	*$15,000*
UV Channel 5 Inlet Gate	UV Disinfection Unit 2 (Ch4&5)			$15,000		**$15,000**	*$15,000*
UV Channel 6 Inlet Gate	UV Disinfection Unit 2 (Ch4&5)			$15,000		**$15,000**	*$15,000*
Lime Feed Valve 1	Oxidation Ditch Splitter			$25,000		**$25,000**	*$25,000*
WAS Valve 1	RAS/WAS Pump Station			$25,000		**$25,000**	*$25,000*
Mat Pond PS Cont Valve	Maturation Pond Pump Station			$25,000		**$25,000**	*$25,000*
Mat Pond Emer Stor Div Valve	Maturation Pond Pump Station			$25,000		**$25,000**	*$25,000*
Storage Return CV1	DAF Unit 1			$25,000		**$25,000**	*$25,000*
Storage Return CV2	DAF Unit 2			$25,000		**$25,000**	*$25,000*
Filter Chemical Valve 1	Tertiary Filters			$25,000		**$25,000**	*$25,000*
Filter Chemical Valve 2	Tertiary Filters			$25,000		**$25,000**	*$25,000*
Filter Chemical Valve 3	Tertiary Filters			$25,000		**$25,000**	*$25,000*
Filter Chemical Valve 4	Tertiary Filters			$25,000		**$25,000**	*$25,000*
Centrifuge Cake Valve 1	Centrifuge Solids Dewatering			$25,000		**$25,000**	*$25,000*
Centrifuge Cake Valve 3	Centrifuge Solids Dewatering			$25,000		**$25,000**	*$25,000*
Polymer Aging Tank1 Inlet Vlv	Solids Chemical Area in Solids Dewatering			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 1	Sludge Pump Centrifuge Area			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 3	Sludge Pump Centrifuge Area			$25,000		**$25,000**	*$25,000*
Polymer Injection Ring Valve 3	Sludge Pump Centrifuge Area			$25,000		**$25,000**	*$25,000*
Polymer Injection Ring Valve 4	Sludge Pump Centrifuge Area			$25,000		**$25,000**	*$25,000*
High Pressure Air Valve 4	Sludge Pump Centrifuge Area			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 1A	Sludge Loading Solids Dewatering Building			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 1B	Sludge Loading Solids Dewatering Building			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 2B	Sludge Loading Solids Dewatering Building			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 2C	Sludge Loading Solids Dewatering Building			$25,000		**$25,000**	*$25,000*
Sludge Cake Valve 2D	Sludge Loading Solids Dewatering Building			$25,000		**$25,000**	*$25,000*
Outfall Valve	Outfall & R3 Upstream			$25,000		**$25,000**	*$25,000*
Emer Storage Return CV	Emergency Storage Basin			$25,000		**$25,000**	*$25,000*
Trail Mower	Centrifuge Solids Dewatering			$10,000		**$10,000**	*$10,000*
Vaughn Chopper Pump-71260B	Plantwide General & Portable Equip	$15,000				**$15,000**	*$15,000*
Influent PS Pump 1A	Influent Collection Structure	$25,000	$48,000			**$73,000**	*$48,000*
Influent PS Pump 1B	Influent Collection Structure	$25,000	$25,000	$48,000		**$98,000**	*$48,000*
Influent PS Pump 2B	Influent Collection Structure	$25,000	$25,000	$25,000	$48,000	**$123,000**	*$48,000*
Influent PS Pump 2C	Influent Collection Structure	$25,000	$48,000			**$73,000**	*$48,000*
Ox Ditch Recycle Pump 1A	Oxidation Ditch 1	$18,000				**$18,000**	*$18,000*

CATEGORY A Existing Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
Ox Ditch Recycle Pump 1B	Oxidation Ditch 1		$18,000			**$18,000**	*$18,000*
Ox Ditch Recycle Pump 2A	Oxidation Ditch 2			$18,000		**$18,000**	*$18,000*
Ox Ditch Recycle Pump 2B	Oxidation Ditch 2				$18,000	**$18,000**	*$18,000*
Maturation Pond PS Pump 1	Maturation Pond Pump Station	$10,000	$65,000			**$75,000**	*$65,000*
Maturation Pond PS Pump 2	Maturation Pond Pump Station	$10,000	$10,000	$65,000		**$85,000**	*$65,000*
Maturation Pond PS Pump 3	Maturation Pond Pump Station	$10,000	$10,000	$10,000	$65,000	**$95,000**	*$65,000*
Maturation Pond PS Pump 4	Maturation Pond Pump Station	$10,000	$10,000	$65,000		**$85,000**	*$65,000*
Maturation Pond PS Pump 5	Maturation Pond Pump Station	$10,000	$10,000	$10,000	$65,000	**$95,000**	*$65,000*
Filter Feed PS Pump 1	Filter Feed Pump Station	$55,000				**$55,000**	*$55,000*
Filter Feed PS Pump 2	Filter Feed Pump Station	$10,000	$55,000			**$65,000**	*$55,000*
Filter Feed PS Pump 3	Filter Feed Pump Station	$10,000	$10,000	$55,000		**$75,000**	*$55,000*
DAF Pressurization Pump 1A	DAF Unit 1	$35,000				**$35,000**	*$35,000*
DAF Pressurization Pump 1B	DAF Unit 1	$35,000				**$35,000**	*$35,000*
DAF Pressurization Pump 1C	DAF Unit 1	$35,000				**$35,000**	*$35,000*
DAF Float Pump 1A	DAF Unit 1	$30,000				**$30,000**	*$30,000*
DAF Float Pump 1B	DAF Unit 1	$30,000				**$30,000**	*$30,000*
Filter Backwash Pump 1A	Plant Water Plant Water PS, 3 Water	$10,000	$10,000	$65,000		**$85,000**	*$65,000*
Filter Backwash Pump 1B	Plant Water Plant Water PS, 3 Water	$10,000	$10,000	$65,000		**$85,000**	*$65,000*
Plant Water Pump Station 1A	Plant Water Plant Water PS, 3 Water	$5,000	$5,000	$40,000		**$50,000**	*$40,000*
Plant Water Pump Station 1B	Plant Water Plant Water PS, 3 Water	$5,000	$5,000	$5,000	$40,000	**$55,000**	*$40,000*
Plant Water Pump Station 1C	Plant Water Plant Water PS, 3 Water	$5,000	$5,000	$40,000		**$50,000**	*$40,000*
Plant Water Pump Station 1D	Plant Water Plant Water PS, 3 Water	$5,000	$5,000	$5,000	$40,000	**$55,000**	*$40,000*
Plant Drain Pump 1	Plant Drain Pump Station		$22,000			**$22,000**	*$22,000*
Plant Drain Pump 2	Plant Drain Pump Station		$22,000			**$22,000**	*$22,000*
Effluent PS Pump 1	Effluent Pump Station	$10,000	$10,000	$50,000		**$70,000**	*$50,000*
Effluent PS Pump 2	Effluent Pump Station	$10,000	$10,000	$50,000		**$70,000**	*$50,000*
Effluent PS Pump 3	Effluent Pump Station	$10,000	$10,000	$10,000	$50,000	**$80,000**	*$50,000*
RAS Pump Station	RAS Meter Pit	$57,000				**$57,000**	*$57,000*
RAS Pump Station	RAS Meter Pit	$57,000				**$57,000**	*$57,000*
RAS Pump Station	RAS Meter Pit	$57,000				**$57,000**	*$57,000*
RAS Pump Station Flow Meter	RAS Meter Pit	$10,000				**$10,000**	*$10,000*
Tertiary Storage Return Pmp 1	Tertiary Storage Basins	$5,000				**$5,000**	*$5,000*
Alum/Cationic Tank 1	Chemical Feed Systems Bldg.		$12,000			**$12,000**	*$12,000*
Alum/Cationic Tank 2	Chemical Feed Systems Bldg.			$12,000		**$12,000**	*$12,000*
Alum Storage Tank 4500 Gallon	Chemical Feed Systems Bldg.			$12,000		**$12,000**	*$12,000*

CATEGORY A Existing Lincoln WWTRF R&R Projects (Cont'd)							
Component	**Location**	**5 Year Projects Estimated Cost**	**10 Year Projects Estimated Cost**	**15 Year Projects Estimated Cost**	**20 Year Projects Estimated Cost**	**Total**	**One Time Full Replacement Costs**
Emulsion Storage Tank	Chemical Feed Systems Bldg.				$12,000	**$12,000**	*$12,000*
Acid Storage Tank	Chemical Feed Systems Bldg.		$12,000			**$12,000**	*$12,000*
Caustic Storage Tank	Chemical Feed Systems Bldg.				$12,000	**$12,000**	*$12,000*
Polymer Aging Tank 1	Centrifuge Solids Dewatering			$10,000		**$10,000**	*$10,000*
Polymer Aging Tank 2	Centrifuge Solids Dewatering			$10,000		**$10,000**	*$10,000*
Polymer Day Tank	Centrifuge Solids Dewatering			$10,000		**$10,000**	*$10,000*
UV Control Panels (2)	Control 400 UV		$50,000			**$50,000**	*$50,000*
UV Channels (5)	UV Disinfection	$50,000				**$50,000**	*$50,000*
Screenings Washer/Compactor	Headworks Screening				$100,000	**$100,000**	*$100,000*
Lining	TSB and Maturation Pond Liners (replacing existing)		$937,500	$937,500	$937,500	**$2,812,500**	*$2,812,500*
Dodge Van 2002	Plantwide General & Portable Equip	$35,000				**$35,000**	*$35,000*
4x4 (Dodge Dakota)	Outside Rounds Vehicle	$35,000				**$35,000**	*$35,000*
C5500 Crane Truck (Chevy)	All Purpose		$75,000			**$75,000**	*$75,000*
Electric carts (2); Kabota (1)	All Purpose	$20,000	$15,000			**$35,000**	*$20,000*
SCADA Upgrade	WWTRF	$25,000				**$25,000**	*$25,000*
General Equipment Painting	WWTRF	$25,000				**$25,000**	*$25,000*
DAF & Clarifier Mechanisms	Clarifier Mechanisms		$250,000			**$250,000**	*$250,000*
Roll-Up Doors	Tracks, Paneling and Operators	$20,000				**$20,000**	*$20,000*
Total Category A WWTRF R&R Project Costs		**$1,326,500**	**$2,717,000**	**$3,450,000**	**$2,405,000**	**$9,898,500**	

Source: Stantec, October 3, 2013, with all costs expressed in 2013 dollars.

APPENDIX B: CATEGORY B NEW WWTRF R&R PROJECTS

CATEGORY B New Lincoln WWTRF R&R Projects							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
Chemical Feed and Storage Facilities	Chemical Storage Facilities		$15,000	$15,000	$15,000	**$45,000**	*$15,000*
Filter Feed Pump Replacement	Filter Pumping Facility	$10,000	$10,000	$10,000	$55,000	**$85,000**	*$55,000*
Secondary Clarifier	#3 Clarifier		$50,000		$50,000	**$100,000**	*$50,000*
Pump and Motor Rebuild/Replacement	RAS Meter Pit			$57,000		**$57,000**	*$57,000*
Flow Meter	RAS Meter Pit			$10,000		**$10,000**	*$10,000*
Oxidation Ditch Blower (3)	Oxidation Ditch 3		$50,000	$50,000	$50,000	**$150,000**	*$50,000*
Oxidation Ditch Aerostrip Diffuser	Oxidation Ditch 3				$218,750	**$218,750**	*$218,750*
Oxidation Ditch Wall Pumps (2)	Oxidation Ditch 3	$20,000	$40,000	$20,000	$40,000	**$120,000**	*$40,000*
Oxidation Ditch Mixer, Planetary Gear (2)	Oxidation Ditch 3	$22,000	$44,000	$22,000	$44,000	**$132,000**	*$44,000*
Oxidation Ditch Mixer, Banana Blade (4)	Oxidation Ditch 3	$22,000	$44,000	$22,000	$44,000	**$132,000**	*$44,000*
Oxidation Ditch Pump, Self Priming	Oxidation Ditch 3		$5,000		$23,000	**$28,000**	*$23,000*
Influent Pump Station Bypass Pump	Headworks		$5,000		$13,000	**$18,000**	*$13,000*
Influent Pump Station Pump, Submersible, N-impeller, 85 hp	Headworks	$25,000	$25,000	$25,000	$48,000	**$123,000**	*$48,000*
Headworks Screen	Influent Channel				$356,250	**$356,250**	*$356,250*
Filters	Tertiary Filters				$25,000	**$25,000**	*$25,000*
Filters	Filter Gallery				$187,500	**$187,500**	*$187,500*
Effluent Pumps, 60-HP	Effluent Pump Station	$10,000	$10,000	$10,000	$40,000	**$70,000**	*$40,000*
Effluent Pumps, 25 HP	Effluent Pump Station	$10,000	$10,000	$10,000	$30,000	**$60,000**	*$30,000*
Oxidation Ditch Rotor 1F	Oxidation Ditch 1		$10,000			**$10,000**	*$10,000*
HVAC for MCC-100 Structure	Control 100 Control Pnls Headworks/Biofilters			$5,000		**$5,000**	*$5,000*
HVAC for MCC-200 Structure	Control 200 Control Pnls Sec. Treatment			$5,000		**$5,000**	*$5,000*
HVAC for MCC-300, 400 Structure	Control 300 Advanced Treatment Panels			$5,000		**$5,000**	*$5,000*
HVAC for Unit 1 UV Building	Control 400 UV and Effluent Control Panels			$5,000		**$5,000**	*$5,000*
HVAC for Unit 2 UV Building	Control 400 UV and Effluent Control Panels			$5,000		**$5,000**	*$5,000*
HVAC for Unit 3 UV Building	Control 400 UV and Effluent Control Panels			$5,000		**$5,000**	*$5,000*
HVAC for MCC 480 Structure	Control 480 Reclaimed Controls				$5,000	**$5,000**	*$5,000*
HVAC for MCC 500 Room	Control 500 Chems/Util/Yard Control Panels				$5,000	**$5,000**	*$5,000*

CATEGORY B New Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
HVAC for #1/#2 Admin Building (BOD)	Administration Building				$5,000	**$5,000**	*$5,000*
HVAC #4 Admin Building (bioassay)	Administration Building				$5,000	**$5,000**	*$5,000*
HVAC #2 Admin Building (women's RR)	Administration Building				$5,000	**$5,000**	*$5,000*
HVAC #3 Admin Building (lab)	Administration Building				$5,000	**$5,000**	*$5,000*
HVAC for MCC 700 Structure	Control 700 Solids Handling Control Panels				$5,000	**$5,000**	*$5,000*
Oxidation Ditch Rotor 1A	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 1B	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 1C	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 1D	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 1E	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 1F	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2A	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2B	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2C	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2D	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2E	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
Oxidation Ditch Rotor 2F	Oxidation Ditch 1				$10,000	**$10,000**	*$10,000*
SHT/Centrifuge	Centrifuge Solids Dewatering				$100,000	**$100,000**	*$100,000*
UV/Plant Water PS	UV Disinfection Unit 1 (Ch1-3)				$25,000	**$25,000**	*$25,000*
Bio Filter Fan	Bio Filter System				$20,000	**$20,000**	*$20,000*
Underground Bioscrubber	Adjacent to the Headworks				$40,000	**$40,000**	*$40,000*
Solids Holding Tank Blower 1A	Solids Holding Tanks				$40,000	**$40,000**	*$40,000*
Solids Holding Tank Blower 1B	Solids Holding Tanks				$40,000	**$40,000**	*$40,000*
Solids Holding Tank Blower 1C	Solids Holding Tanks				$40,000	**$40,000**	*$40,000*
Filter Air Compressor 1	Tertiary Filter Support Equipment			$10,000		**$10,000**	*$10,000*
Filter Air Compressor 2	Tertiary Filter Support Equipment			$10,000		**$10,000**	*$10,000*
UV Air Compressor 1A	UV Disinfection Unit 1 (Ch1-3)		$10,000	$10,000	$25,000	**$45,000**	*$25,000*
Solids Dewatering Air Comp1	Sludge Pump Centrifuge Area				$90,000	**$90,000**	*$90,000*
Solids Dewatering Air Comp2	Sludge Pump Centrifuge Area				$90,000	**$90,000**	*$90,000*
Pivot Drive 1	Pivot Assemblies 1 & 2				$187,500	**$187,500**	*$187,500*

CATEGORY B New Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
Pivot Drive 2	Pivot Assemblies 1 & 2				$187,500	**$187,500**	*$187,500*
Tertiary Filter 1	Tertiary Filters				$312,500	**$312,500**	*$312,500*
Vaughn Chopper Pump-71260B	Plantwide General & Portable Equip			$15,000		**$15,000**	*$15,000*
Influent PS Pump 1A	Influent Collection Structure			$25,000	$25,000	**$50,000**	*$25,000*
Influent PS Pump 1B	Influent Collection Structure				$25,000	**$25,000**	*$25,000*
Influent PS Pump 2C	Influent Collection Structure			$25,000	$25,000	**$50,000**	*$25,000*
Maturation Pond PS Pump 1	Maturation Pond Pump Station		$10,000	$10,000	$10,000	**$30,000**	*$10,000*
Maturation Pond PS Pump 2	Maturation Pond Pump Station				$10,000	**$10,000**	*$10,000*
Maturation Pond PS Pump 34	Maturation Pond Pump Station				$10,000	**$10,000**	*$10,000*
Filter Feed PS Pump 1	Filter Feed Pump Station		$10,000	$10,000	$10,000	**$30,000**	*$10,000*
Filter Feed PS Pump 2	Filter Feed Pump Station			$10,000	$10,000	**$20,000**	*$10,000*
Filter Feed PS Pump 3	Filter Feed Pump Station				$10,000	**$10,000**	*$10,000*
DAF Pressurization Pump 1A	DAF Unit 1				$35,000	**$35,000**	*$35,000*
DAF Pressurization Pump 1B	DAF Unit 1				$35,000	**$35,000**	*$35,000*
DAF Pressurization Pump 1C	DAF Unit 1				$35,000	**$35,000**	*$35,000*
DAF Float Pump 1A	DAF Unit 1				$30,000	**$30,000**	*$30,000*
DAF Float Pump 1B	DAF Unit 1				$30,000	**$30,000**	*$30,000*
Filter Backwash Pump 1A	Plant Water Plant Water PS, 3 Water				$10,000	**$10,000**	*$10,000*
Filter Backwash Pump 1B	Plant Water Plant Water PS, 3 Water				$10,000	**$10,000**	*$10,000*
Plant Water Pump Station 1A	Plant Water Plant Water PS, 3 Water				$5,000	**$5,000**	*$50,000*
Plant Water Pump Station 1C	Plant Water Plant Water PS, 3 Water				$5,000	**$5,000**	*$5,000*
Effluent PS Pump 1	Effluent Pump Station				$10,000	**$10,000**	*$10,000*
Effluent PS Pump 2	Effluent Pump Station				$10,000	**$10,000**	*$10,000*
RAS Pump Station	RAS Meter Pit				$57,000	**$57,000**	*$57,000*
RAS Pump Station	RAS Meter Pit				$57,000	**$57,000**	*$57,000*
RAS Pump Station	RAS Meter Pit				$57,000	**$57,000**	*$57,000*
Tertiary Storage Return Pmp 1	Tertiary Storage Basins		$5,000	$25,000	$5,000	**$35,000**	*$25,000*
Acid Storage Tank	Chemical Feed Systems Bldg.				$10,000	**$10,000**	*$10,000*
Caustic Storage Tank	Chemical Feed Systems Bldg.				$12,000	**$12,000**	*$12,000*
UV Channels (5) Coating	UV Disinfection				$50,000	**$50,000**	*$50,000*

CATEGORY B New Lincoln WWTRF R&R Projects (Cont'd)							
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total	One Time Full Replacement Costs
Dodge Van 2002	Plantwide General & Portable Equip			$35,000		**$35,000**	*$35,000*
4x4 (Dodge Dakota)	Plantwide General & Portable Equip		$35,000	$35,000	$35,000	**$105,000**	*$35,000*
Electric Carts (2); Kabota (1)	All Purpose			$20,000	$15,000	**$35,000**	*$20,000*
SCADA Software Support & Equipment	WWTRF		$25,000	$25,000	$25,000	**$75,000**	*$25,000*
General Equipment Painting	WWTRF		$25,000	$25,000	$25,000	**$75,000**	*$25,000*
Roll-Up Doors	Tracks, Paneling and Operators		$20,000	$20,000	$20,000	**$60,000**	*$20,000*
Sub-Total Category B WWTRF R&R Project Costs		**$119,000**	**$458,000**	**$591,000**	**$3,310,000**	**$4,478,000**	
R&R Studies		$25,000	$25,000	$25,000	$25,000	**$100,000**	
Total Category B WWTRF R&R Project Costs		**$144,000**	**$483,000**	**$616,000**	**$3,335,000**	**$4,578,000**	

Source: Stantec, October 3, 2013, with all costs expressed in 2013 dollars.

APPENDIX C: REGIONAL PIPELINE AND SMD 1 PUMP STATION PROJECTS AND COSTS

Regional Pipeline R&R Projects						
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
Biofilter Fan	Ferrari Ranch Biofilter			$25,000	$25,000	**$50,000**
Biofilter Media	Ferrari Ranch Biofilter		$20,000		$20,000	**$40,000**
Sub-Total Regional Pipeline R&R Project Costs		$0	$20,000	$25,000	$45,000	$90,000
Soft Costs		$15,000	$15,000	$15,000	$15,000	$60,000
Total Regional Pipeline R&R Project Costs		**$15,000**	**$35,000**	**$40,000**	**$60,000**	**$150,000**

SMD 1 Pump Station R&R Projects						
Component	Location	5 Year Projects Estimated Cost	10 Year Projects Estimated Cost	15 Year Projects Estimated Cost	20 Year Projects Estimated Cost	Total
HVAC for Electrical Building	Electrical Building				$25,000	**$25,000**
SCADA Computer	Electrical Building	$5,000	$5,000	$5,000	$5,000	**$20,000**
SCADA Software	Electrical Building		$25,000		$25,000	**$50,000**
Pumps	Pump Station	$90,000	$90,000	$90,000	$90,000	**$360,000**
Pump VFDs	Electrical Building		$180,000		$180,000	**$360,000**
Hoist/Trolley	Pump Station				$87,000	**$87,000**
Flush Gate	Clarifier 3&4				$25,000	**$25,000**
Fine Screen	Headworks Screening		$20,000			**$20,000**
Grit Pump	Headworks Screening	$15,000	$15,000			**$30,000**
Bio Filter	Biofilter Filter System		$20,000		$20,000	**$40,000**
Biofilter Fan	Biofilter Filter System		$25,000		$25,000	**$50,000**
Standby Generator	Stand-by Power Generation		$10,000		$10,000	**$20,000**
Composite Sampler	Plantwide General & Portable Equip				$25,000	**$25,000**
ESB1 Liner	ESB1				$150,000	**$150,000**
Subtotal WWTP R&R Project Costs		$110,000	$390,000	$95,000	$667,000	$1,262,000
Soft Costs		$15,000	$60,000	$15,000	$97,500	$187,500
Total SMD1 Pump Station R&R Project Costs		**$125,000**	**$450,000**	**$110,000**	**$764,500**	**$1,449,500**

Source: Stantec, August 8, 2013, with all costs provided in 2013 dollars.

EXHIBIT 10 – CONNECTION FEE REPORT

See attached.

Mid-Western Placer Regional Sewer Project
Connection Fee Report

Purpose of this Report

Connection fees are one time charges used to fund capital improvements necessary for the expansion of a utility system. Connection fees should be proportionate and reasonably related to the capital facility demands of new development. This report will provide estimates of the connection fee required to fund future capacity demands at the Mid-Western Placer Sewer Project ("MWPRSP") for the future users of both the City of Lincoln and Placer County SMD 1. ***However, this report does NOT meet the requirements of Government Code Section 66000 et. seq. and does NOT provide the direct nexus as required in the Government Code.***

Before connection fees can be imposed several assumptions identified in this report will need to be verified and justified and a direct nexus between the fees, the capacity to be funded and the new development to be served from the improvements must be demonstrated, as described below. This report can be utilized to estimate the regional connection fee that will be required in order for the MWPRSP to serve new development.

Connection Fee Methodology

Any one of several legitimate methods may be used to calculate connection fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed.

Basically, the process of calculating connection fees involves two steps: (1) determining the cost of development-related capital improvements, and (2) allocating those costs equitably to various types of development. However, the calculation of capacity fees can become complicated due to the many variables involved in defining the relationship between development and the needs for facilities.

There are three basic methods used to calculate the components of a connection fee. The methodologies are used to determine the best measure of demand created by new development for each component of the connection fees. The methodologies can be classified as looking at the past, present, and future capacities of infrastructure.

1) In instances where infrastructure has been built in advance of new development and there is excess capacity available to be utilized by new development, the **buy-in methodology** is utilized. Under this methodology, new development repays the community for previous capacity investments via the connection fee.

2) The **incremental expansion methodology** is used when a community plans to provide new development the same level-of-service that is currently being provided to existing development in increments. Generally, utility infrastructure does not lend itself to this methodology given its nature of having to be in place prior to new development and capacity being constructed in large segments.

3) The **plan-based methodology** utilizes an agency's capital improvement plan and related master plans to determine new development's share of planned projects. Projects that do not add capacity, such as routine maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are

further evaluated as to the percentage of the project attributable to existing development versus new development. Only the portion of planned projects attributable to new development is included in the connection fees.

Based on the available data, two of the three methodologies described above are used in this connection fee analysis. The cost excess capacity at the current Lincoln Wastewater Treatment and Recycling Facility ("WWTRF") will be allocated based on the buy-in methodology and the facility expansion projects utilize the plan-based methodology.

Current WWTRF Capacity Utilization

At the time Placer County SMD 1 users join the WWTRF in FY 2015-16, it is estimated that the City of Lincoln will utilize 2.8 million gallons per day ("mgd") of plant capacity and Placer County SMD 1 will utilize 1.7 mgd of plant capacity, with approximately 1.4 mgd of remaining available plant capacity. Of this 1.4 mgd of remaining available capacity, approximately 0.762 mgd is reserved for various development projects, as provided by the City of Lincoln and shown in ***Appendix A***. Therefore, only 0.638 mgd of un-reserved, available capacity exists at the WWTRF.

The Construction, Operations and Joint Exercise of Powers Agreement ("COJA") between the City of Lincoln and Placer County defines an EDU to "equal the quantity and quality of wastewater generated by an average single family dwelling, and which is determined based on 215 gallons per day per EDU and biological oxygen demand of 0.50 lb per day per EDU." Thus, the un-reserved, available capacity at the WWTRF will accommodate approximately 2,967 EDUs. Additional capacity will need to be constructed to serve new development in excess of 2,967 EDUs.

Cost of Capacity at the Existing WWTRF

Based on the construction cost information provided by Stantec, and provided in ***Appendix B***, the total cost to construct the 4.2 mgd existing WWTRF was approximately $80.4 million. Of the 4.2 mgd of capacity originally constructed, approximately 0.638 mgd remains available and un-reserved. Therefore, approximately 15.19% of the capacity is available, as shown in ***Table 1***. Applying the buy-in methodology would mean that the remaining available and un-reserved capacity would be allocated a proportional share of the project costs. Furthermore, since the proportional cost of the project has been unfunded since the treatment plant completion, carrying costs should be applied to the portion of the costs attributable to the available and unreserved capacity. The actual City of Lincoln's carrying costs are unknown at this time, therefore, a 20% estimate has been applied in this analysis. As shown in ***Table 1***, the total cost of the available un-reserved capacity at the existing WWTRF is $14,651,324.

TABLE 1

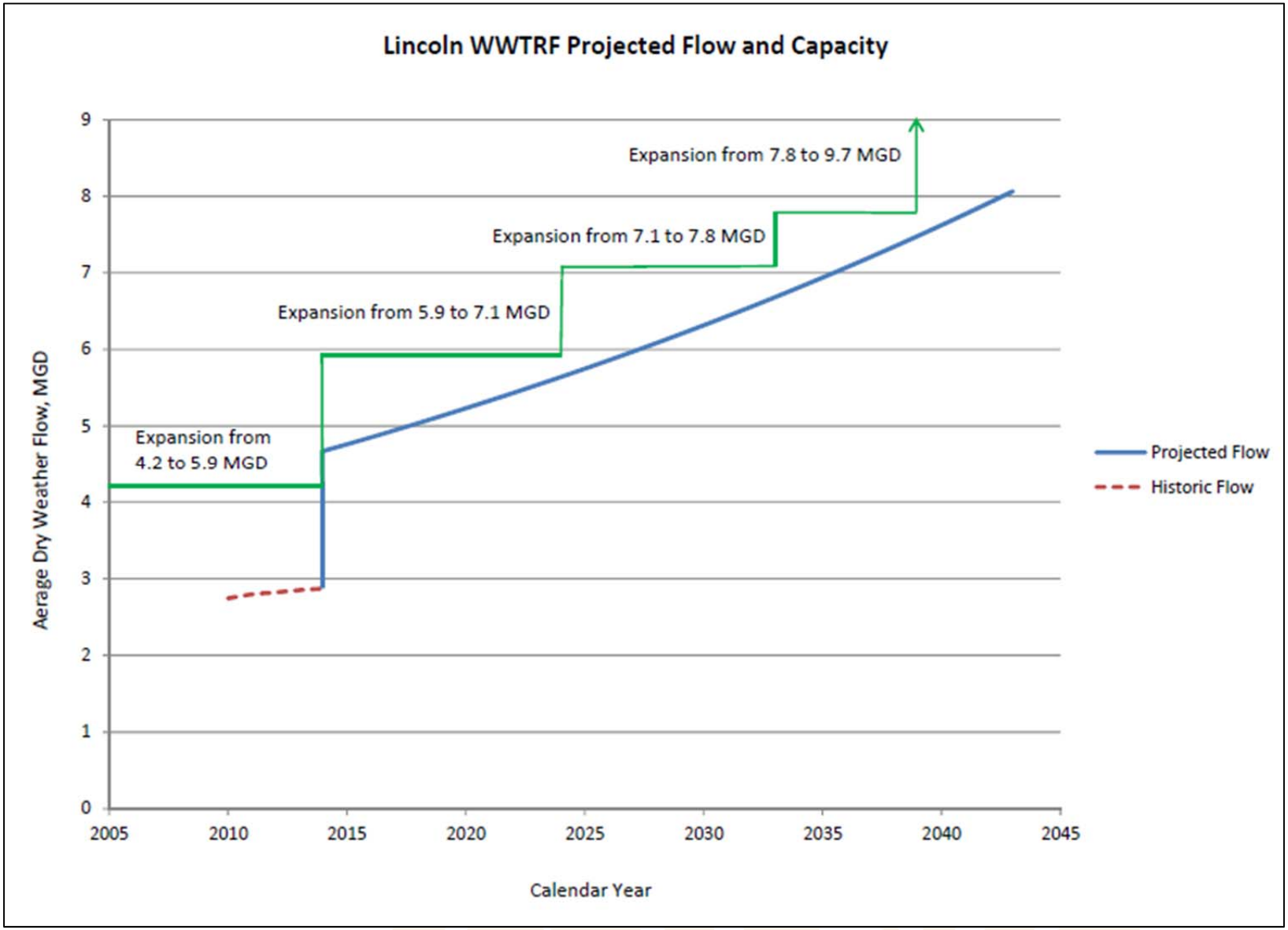
Buy-In to Existing WWTRF	
Capacity of Existing WWTRF (in mgd)	4.2
Capacity Utilized by Current City of Lincoln Users (in mgd)	2.8
Capacity Reserved by City of Lincoln Development Projects (in mgd)	0.762
Remaining Capacity at Existing WWTP	0.638
Remaining Capacity as a Percentage of Total WWTP Capacity	15.19%
Cost of Original WWTRF Capacity	$80,375,600
Portion of WWTP Cost Attributable to Available Capacity	$12,209,436
Carrying Cost of Available Capacity	$2,441,887
Total Cost of Available, Un-Reserved WWTRF Capacity	**$14,651,324**

Anticipated WWTRF Plant Expansions

Based on a plant expansion timeline provided by Stantec, and shown in ***Figure 1***, below, three plant expansions will need to occur in order to accommodate new development over the next 30 years and serve approximately 8.1 mgd of overall average dry weather flow.

In order to meet the anticipated expansion timeline, Stantec developed a list of $50 million of expansion project needs, expressed in 2013 dollars, and described in ***Figure 2***.

FIGURE 1



Source: Stantec, July 24, 2013.

FIGURE 2

WWTRF Component	2042 Design Flow	Current Capacity	Expansion Equipment	Anticipated ADWF and Expansion Year	7.1 MGD Expansion Cost in 2013 $$	7.8 MGD Expansion Cost in 2013 $$	9.7 MGD Expansion Cost in 2013 $$
Influent Pump Station	37.75	34.8	Replace two existing 100 HP pumps with larger pumps	7.43 MGD- 2038		200,000	
Headworks Flowmeter	37.75	32.5	Replace Parshall Flume with 48" Flume	6.94 MGD - 2035	50,000		
Headworks Screens	37.75	45.5	none	-			
Oxidation Ditches w/ Anoxic Basins	26.32	17	2 ditches	5.9 MGD - 2027 7.8 MGD - 2041	5,500,000		5,500,000
Clarifiers	26.32	17	2 clarifiers	5.9 MGD - 2027 7.8 MGD - 2041	2,500,000		2,500,000
RAS Pumps	-	-	Add RAS pump to RAS PS#2 Build RAS PS #3	5.9 MGD - 2027 7.8 MGD - 2041	50,000		550,000
Scum Pumps	-	-	Build New Scum PS	7.8 MGD - 2041			100,000
WAS Metering Station	-	-	Build New WAS Station	7.8 MGD - 2042			50,000
Maturation PS	37.75	33	Add new 50 HP pump	6.6 MGD - 2032	90,000		*
Filter PS	15.23	12.4	Add new 50 HP pump	6.2 MGD - 2029	80,000		*
Filters	15.23	13.8	Add one filter cell and new flock basin	5.9 MGD - 2027	1,000,000		*
Effluent PS	23.23	20.4	Add new 60 HP pump	7.12 MGD - 2036		160,000	*
Solids Handling			Add solids handling tank; Add centrifuge into existing building	5.9 MGD - 2027	1,500,000		
Maturation Pond			Expand Mat Pond or add Ozone	5.9 MGD - 2027	5,000,000		*
Tertiary Storage	252 MG	190 MD	Build new 62 MG TSB	7.1 MGD - 2036		4,000,000	*
Subtotal Project Costs					$ 15,770,000	$ 4,360,000	$ 8,700,000
Electrical and Control	20%				$ 3,154,000	$ 872,000	$ 1,740,000
Engineering	25%				$ 4,731,000	$ 1,308,000	$ 2,610,000
Contingency	15%				$ 3,548,250	$ 981,000	$ 1,957,500
Project Cost in 2013 $$					**$ 27,300,000**	**$ 7,600,000**	**$ 15,100,000**

30-YEAR ADWF **8.1 MGD**

Expansion from 5.9 to 7.1 MGD: Influent Flow Meter, 1 ditch w/anoxic basins, 1 clarifier, RAS pump at existing RAS PS #2, 50 HP pump at Maturation PS, 50 HP pump at Filter Feed PS, 1 filter cell with new floc basin, 1 Solids Tank, 1 Centrifuge in existing building , Chem feed system, expand Mat Pond or add new ozone system.

Expansion from 7.1 to 7.8 MGD: Influent PS wet well w/ 1 100 HP pump, 60 HP pump at Effluent PS, 62 MG Tertiary Storage

Expansion from 7.8 to 9.7 MGD: 1 ditch w/anoxic basin, 1 clarifier, new RAS PS (2 pumps), new WAS Station, new Scum PS.
* Additional facilities will be needed to handle 9.7 MGD; adequate capacity availble for 30-year projected ADWF of 8.1 MGD

Calculating the WWTRF Connection Fee

Cost of New WWTRF Capacity Per EDU

As previously described, future EDUs will be responsible for funding the un-reserved, available capacity in the existing treatment plant, plus the cost of constructing new capacity, considering the estimated capacity that will be needed over the next 30 years. As shown in ***Table 2***, there is a total of 2.838 mgd of future capacity planned to be available to new development over the next 30 years. Such capacity will be available either through space at the existing treatment plant or from future plant expansions. All future EDUs will share in the cost of such capacity.

As further depicted in ***Table 2***, the 2.838 mgd of future capacity will accommodate approximately 13,200 EDUs. Future EDUs of both the City of Lincoln and Placer County SMD 1 will be responsible for $14.7 million of costs attributable to the un-reserved, available capacity at the existing treatment plant plus $50 million of plant expansion costs, resulting in a capacity cost of $4,898 per EDU.

TABLE 2

Regional Sewer Treatment Connection Fee Per EDU	
Un-Reserved, Unused Existing WWTRF Capacity (in mgd)	0.638
New EDUs to be Served Through Available Existing Capacity	2,967
Cost of Available Capacity at Existing WWTRF	$14,651,324
Capacity to be Constructed Over Next 30 Years (in mgd)	2.2
New EDUs to be Served Through Future Capacity to be Constructed	10,233
Estimated Construction Cost of Future Capacity	$50,000,000
Total Unused and Future Capacity (in mgd)	2.838
Total New EDUs to be Served	13,200
Cost of Available Capacity at Existing WWTRF per EDU	$1,110
Cost of Future Capacity per EDU	$3,788
Total New Capacity Cost Per EDU	$4,898

Anticipated WWTRF Cash Flow

Each new EDU should be charged a connection fee based on the new capacity cost per EDU. But, this cost will fund WWTRF expansion costs in the aggregate. The project costs and available revenues must also be evaluated on a cash flow basis to determine whether such projects can be cash funded, or whether a financing may be needed due to the anticipated timing of when revenues will be received.

In order to develop a complete cash flow, projections of the rate of growth of new development are needed. However, this information has not been provided at this time. Therefore, this analysis assumes that the 13,200 of new EDUs that will be accommodated through the future WWTRF capacity will be built out evenly over the next 30 years.

Project expenditures are expected to occur based on the plant expansion timeline provided by Stantec, shown previously in ***Figure 1*** of this report. With the assumed cash flow resulting from the estimated development build out and resulting receipt of connection fees combined with the anticipated project expenditure schedule, ongoing connection fee revenues will not be sufficient to fund WWTRF expansion needs, as shown in ***Chart 1***. Therefore, financings will be needed to bridge the timing of connection fee revenues.

Based on the estimated cash flow, approximately $9.5 million of project costs will need to be financed in order to meet the anticipated WWTRF expansion timeline. ***Chart 2*** shows the positive cash flow with $9.5 million of financings applied.

CHART 1

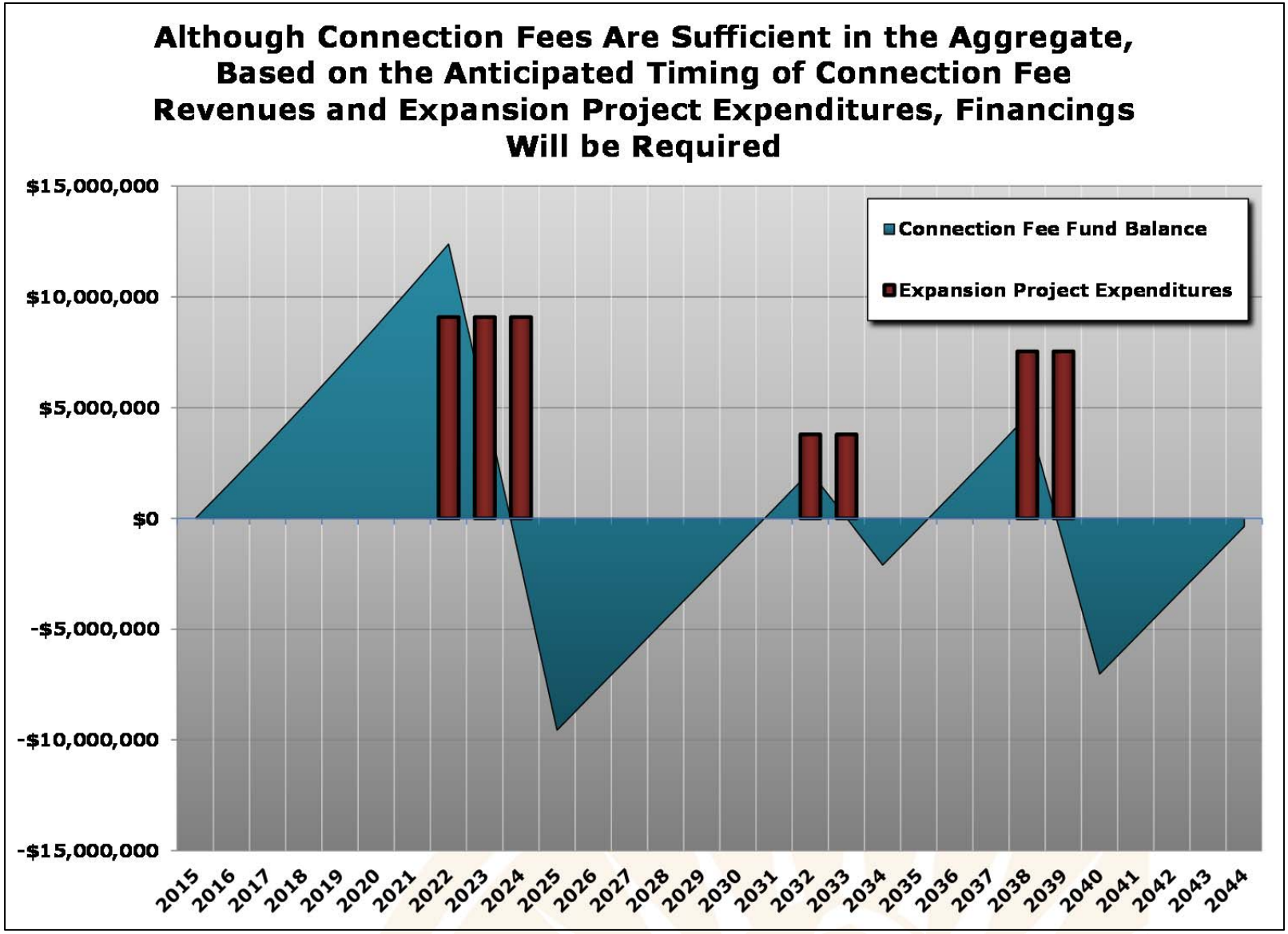

Although Connection Fees Are Sufficient in the Aggregate, Based on the Anticipated Timing of Connection Fee Revenues and Expansion Project Expenditures, Financings Will be Required
$15,000,000
$10,000,000
$5,000,000
$0
-$5,000,000
-$10,000,000
-$15,000,000
Connection Fee Fund Balance
Expansion Project Expenditures
2015
2016
2017
2018
2019
2020
2021
2022
2023
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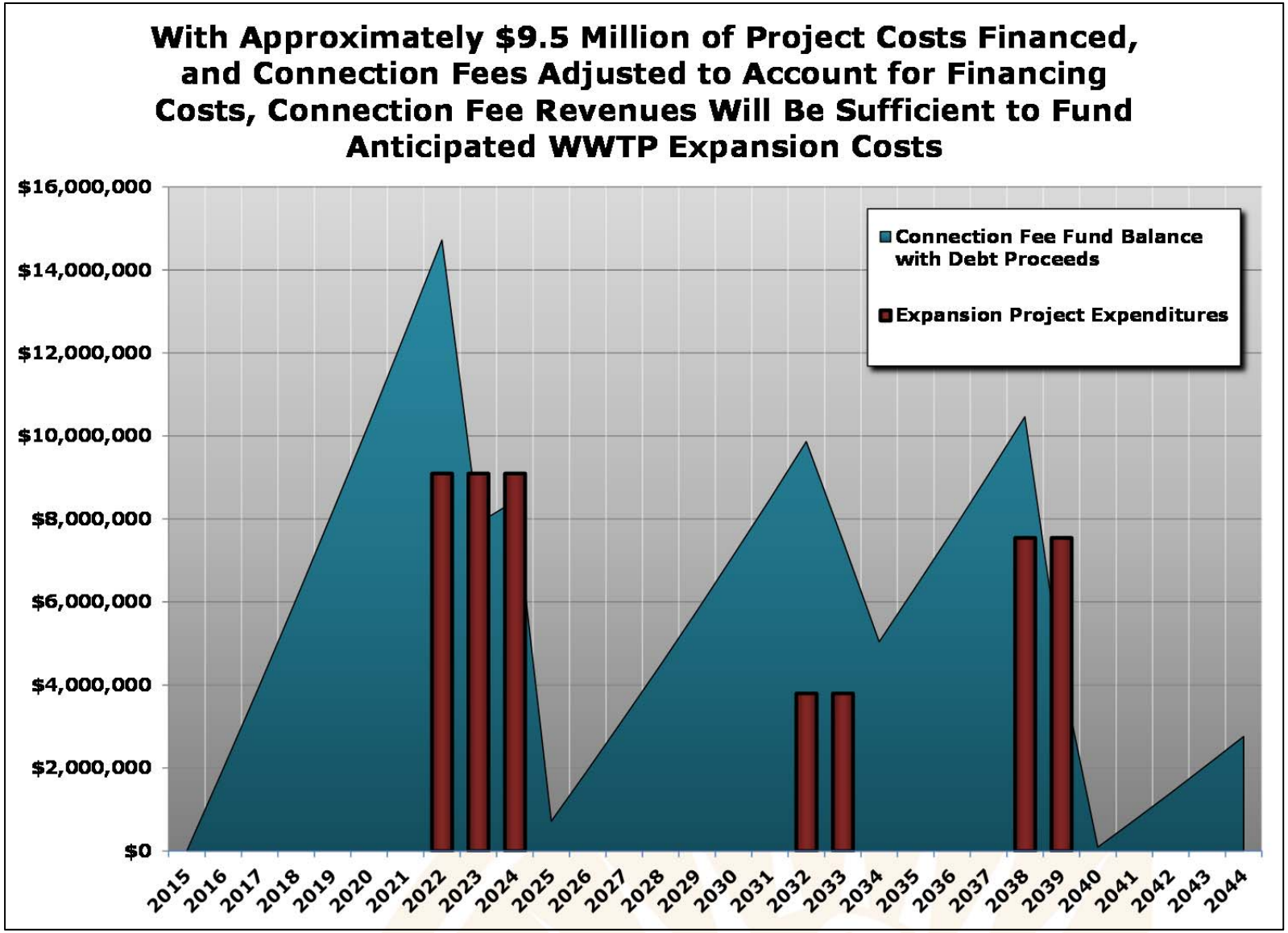
CHART 2


With Approximately $9.5 Million of Project Costs Financed, and Connection Fees Adjusted to Account for Financing Costs, Connection Fee Revenues Will Be Sufficient to Fund Anticipated WWTP Expansion Costs
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
Connection Fee Fund Balance with Debt Proceeds
Expansion Project Expenditures
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
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2027
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These financings will add approximately $9.4 million in interest and financing costs to the overall funding needs. This equates to approximately $713 per EDU, as shown in ***Table 3***. Adding the financing costs to the per unit capacity cost results in a Regional Sewer Treatment Connection Fee of $5,611 per EDU.

TABLE 3

Regional Sewer Treatment Connection Fee Per EDU	
Un-Reserved, Unused Existing WWTRF Capacity (in mgd)	0.638
New EDUs to be Served Through Available Existing Capacity	2,967
Cost of Available Capacity at Existing WWTRF	$14,651,324
Capacity to be Constructed Over Next 30 Years (in mgd)	2.2
New EDUs to be Served Through Future Capacity to be Constructed	10,233
Estimated Construction Cost of Future Capacity	$50,000,000
Total Unused and Future Capacity (in mgd)	2.838
Total New EDUs to be Served	13,200
Cost of Available Capacity at Existing WWTRF per EDU	$1,110
Cost of Future Capacity per EDU	$3,788
Total New Capacity Cost Per EDU	$4,898
Additional Debt Service Costs	$9,414,616
Debt Service Cost Per New EDU	$713
Regional Sewer Treatment Connection Fee Per EDU	**$5,611**

Regional Pipeline and SMD 1 Pump Station Expansion Costs and Connection Fee Per EDU

As previously estimated by City of Lincoln staff, two capital projects will be needed related to the regional pipeline and SMD 1 pump station in order to accommodate future growth, as shown in ***Table 4***. These projects are estimated to cost approximately $2.26 million, expressed in 2013 dollars. These projects are attributable to future SMD 1 users, not future City of Lincoln users. It is anticipated that these projects will accommodate up to 4.2 mgd, equating to 2.5 mgd of unused capacity, also shown in ***Table 4***.

TABLE 4

Regional Pipeline and SMD 1 Pump Station Projects		
Project	**Anticipated Timeframe for Project Completion**	**Estimated Cost (in 2013 $)**
Additional Storage	at 11 mgd wwf	$1,830,000
New Pump	at 12 mgd wwf	$427,000
Total		**$2,257,000**
Capacity Created Through Projects (in mgd)		4.2
Existing Capacity (in mgd)		1.7
Capacity to Accommodate Future Development (in mgd)		**2.5**
EDUs Served by Future Capacity		11,628
Regional Sewer Conveyance Connection Fee Per EDU		**$194**

The future capacity costs can be allocated per EDU to be served from the future capacity, which would result in a Regional Sewer Conveyance Connection Fee of $194 per EDU for future SMD 1 users.

Inflation Adjustment

All capital costs are expressed in 2013 dollars. The actual connection fee should be adjusted to reflect construction cost inflation. At the time a formal connection fee study is completed, an index should be established for annual increases in the connection fee to ensure that revenues keep pace with increasing construction costs.

Information Needed to Validate Assumptions and Complete a Legally Defensible Connection Fee Study

In 1987, the California Legislature adopted Assembly Bill 1600, codified as Government Code Sections 66000-66025 (the "Mitigation Fee Act"), which established a uniform process for formulating, adopting, imposing, collecting, accounting for, and protesting impact fees, including connection fees. In order to impose an impact fee, a local agency must go

through a process to establish a reasonable relationship between a development project and the public improvement for which the development fee is charged.

A study meeting the requirements of the Mitigation Fee Act would need to make the following findings:

1) Identify the purpose of the fee.

2) Identify how the fee is to be used. If the use is for financing public facilities, the facilities shall be identified.

3) Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.

4) Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.

5) Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing the public service, then the fee may be declared a special tax and must then be subject to a two-thirds voter approval.

The information provided in this report is based on several assumptions and additional information and data support is needed in order to verify the assumptions and complete a valid and legally defensible connection fee study, properly demonstrating all nexus requirements. The partners will need to undertake such a study before imposing connection fees on future users. Any additional information provided will likely change the connection fee that can be justified.

Information that should be obtained and evaluated as part of a connection fee study dictated by the Mitigation Fee Act includes:

- An evaluation of the City of Lincoln's connection fee for un-reserved and available capacity of the existing treatment plant to ensure that costs are not double counted.

- A projection of new development and customer demand based on each agency's current General Plan and known specific development projects.
    - Such a projection should include the estimated timing of build out.

- Identification of additional future capital projects or plant upgrades that may have a component attributable to new development.

- Estimated construction project expenditure schedule.

- Determination of capital project contingencies that should be added to the capital costs identified.

- Development of a long-range financing plan that considers project cash flow, timing of anticipated revenues, and financing risks to determine the appropriate amount to be financed and resulting impact on the connection fees.

- Analysis of pre-paid capacity and other liabilities as it relates to the connection fees attributable to the reserved capacity at the existing WWTRF.

APPENDIX A

CITY OF LINCOLN

WWTRF - SUMMARY OF RESERVED CAPACITY

	WWTRF Reserved Capacity					
Developments	Stage I	Stage II	Total	EDU's	Connected	Balance
Del Webb - Lincoln Hills	1.129	0.167	1.296	5,143	(5,016)	127
PHI - Twelve Bridges	0.671	0.633	1.304	5,175	(2,382)	2,793
SunCal - Lincoln Crossing	0.413		0.413	1,639	(1,639)	(0)
CA Sun Holdings - Sterling Pointe	0.096		0.096	381	(276)	105
City of Lincoln	0.991		0.991	3,933	(3,933)	(0)
TOTALS	3.300	0.800	4.100	16,270	(13,246)	3,024

equals 0.762 mgd

Source: City of Lincoln, September 4, 2013.

APPENDIX B

Stantec Consulting Services Inc.

PROJECT: CITY OF LINCOLN WWTRF
JOB NUMBER: 184030298
TITLE: ORIGINAL PROJECT CONSTRUCTION COST SUMMARY
DESCRIPTION: ACTUAL CONSTRUCTION COST BREAKDOWN

DATE: JUNE 2013
BY: SLB

ITEM	DESCRIPTION	LINCOLN WWTRF EARTHWORK CONSTRUCTION COSTS (2002) ENRCCI = 6532	LINCOLN WWTRF MAIN PROJECT CONSTRUCTION COSTS (2004) ENRCCI = 7109	LINCOLN WWTRF OUTFALL (2004) ENRCCI = 7109	LINCOLN WWTRF SEWER INTERCEPTOR PROJECT (2004) ENRCCI = 7109	LINCOLN WWTRF RECLAMATION PS, PIPELINE AND OFF-SITE IRRIGATION (2006) ENRCCI = 7700	TOTAL CONSTRUCTION COSTS
1	Mobilization, Bonds & Insurance	$140,193	$3,238,528	$141,785	$552,786	$108,018	$4,181,310
2	General Sitework	$1,222,036	$2,351,156	$0	$0	$0	$3,573,192
3	2W Air Gap System	$0	$84,000	$0	$0	$0	$84,000
4	Influent Junction Structure	$0	$317,991	$0	$0	$0	$317,991
5	Influent Pump Station & Headworks	$0	$2,343,118	$0	$0	$0	$2,343,118
6	OD Splitter Box & Flume	$0	$273,198	$0	$0	$0	$273,198
7	Headworks Biofilter	$0	$71,121	$0	$0	$0	$71,121
8	Oxidation Ditches & Anoxic Basins	$0	$8,990,583	$0	$0	$0	$8,990,583
9	Clarifier Splitter Box	$0	$70,000	$0	$0	$0	$70,000
10	Secondary Clarifiers	$0	$2,571,129	$0	$0	$0	$2,571,129
11	Secondary Scum Pump Station	$0	$40,000	$0	$0	$0	$40,000
12	S.C. Dewatering Pump Station	$0	$58,310	$0	$0	$0	$58,310
13	RAS Pump Station	$0	$500,000	$0	$0	$0	$500,000
14	WAS Metering Station	$0	$30,000	$0	$0	$0	$30,000
15	Maturation Pond & Filter Feed PS	$0	$1,058,436	$0	$0	$0	$1,058,436
16	Dissolved Air Flotation Units	$0	$924,000	$0	$0	$0	$924,000
17	DAF Splitter Box	$0	$96,630	$0	$0	$0	$96,630
18	DAF Float Pump Station	$0	$41,058	$0	$0	$0	$41,058
19	DAF Recir. Pump Station	$0	$92,215	$0	$0	$0	$92,215
20	Tertiary Filters & Flocculation Basins	$0	$2,339,869	$0	$0	$0	$2,339,869
21	Plant Water Pump Station	$0	$715,356	$0	$0	$0	$715,356
22	UV Disinfection Facility	$0	$2,586,341	$0	$0	$0	$2,586,341
23	Reaeration Basins	$0	$617,000	$0	$0	$0	$617,000
24	Effluent Pump Station	$0	$730,192	$0	$0	$0	$730,192
25	Chemical Storage Facility	$0	$700,000	$0	$0	$0	$700,000
26	Chemical Building	$0	$508,815	$0	$0	$0	$508,815
27	Plant Drain Pump Station	$0	$124,000	$0	$0	$0	$124,000
28	Hydrated Lime Feed System	$0	$161,978	$0	$0	$0	$161,978
29	Yard Piping & Structures	$0	$6,421,465	$0	$0	$0	$6,421,465
30	MCC 200 Electrical Building	$0	$351,907	$0	$0	$0	$351,907
31	Standby Generator	$0	$919,310	$0	$0	$0	$919,310
32	Motor Control Centers & PLCs	$0	$1,229,850	$0	$0	$0	$1,229,850
33	Lighting, Conduits & Wiring	$0	$970,773	$0	$0	$0	$970,773
34	Instruments (Flow Meters, Etc.)	$0	$2,215,662	$0	$0	$0	$2,215,662
35	Site Electrical (Ductbanks, Etc.)	$0	$3,897,813	$0	$0	$0	$3,897,813
36	Electrical and Monitoring Buildings	$0	$468,210	$0	$0	$0	$468,210
37	Solids Holding Tank	$0	$857,542	$0	$0	$0	$857,542
38	Solids Feed Pump Station	$0	$475,110	$0	$0	$0	$475,110
39	Solids Dewatering Building	$0	$3,920,650	$0	$0	$0	$3,920,650
40	Lab & Administration Building	$0	$1,397,116	$0	$0	$0	$1,397,116
41	Shop & Maintenance Building	$0	$334,769	$0	$0	$0	$334,769
42	Emergency Storage Basin	$512,945	$306,533	$0	$0	$0	$819,478
43	Maturation Ponds	$2,126,944	$205,034	$0	$0	$0	$2,331,978
44	Tertiary Storage Basins	$216,153	$216,000	$0	$0	$0	$432,153
45	Irrigation Fields	$1,372,867	$365,000	$0	$0	$0	$1,737,867
46	Stormwater Piping & Detention Basin	$0	$242,327	$0	$0	$0	$242,327
47	Outfall and Effluent Pipeline	$0	$0	$2,835,703	$0	$0	$2,835,703
48	Reclamation Booster PS & Pipeline	$0	$0	$0	$0	$2,160,356	$2,160,356
49	Off-Site Disposal Fields	$0	$0	$0	$0	$1,500,000	$1,500,000
50	Influent Sewer (Bickford to WWTRF)	$0	$0	$0	$11,055,719	$0	$11,055,719
	TOTAL CONSTRUCTION COSTS	**$5,591,138**	**$56,430,095**	**$2,977,488**	**$11,608,505**	**$3,768,374**	**$80,375,600**

Notes:
1. ENRCCI used is the midyear 20 Cities ENRCCI .

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.

EXHIBIT 12 – LINCOLN R&R FUNDING PLAN

The City of Lincoln (Lincoln) provides funding for the repair and replacement of the existing Lincoln wastewater facilities in the monthly utility charges paid by Lincoln's customers. Lincoln has an independent rate study upon which its utility charges are based and Lincoln intends to fund its R&R Project obligations from these charges. As set forth in the rate study, Lincoln collects sufficient funds to cover R&R Projects. R&R Project funds collected will be placed into a fund designated for Wastewater Treatment and Reclamation Facility (WWTRF) R&R Projects. In addition, Lincoln will designate one million five hundred thousand dollars ($1,500,000) of Lincoln's Wastewater Operations Fund to fund the next five years of Lincoln's proportionate share of R&R Project costs for the WWTRF. The WWTRF is currently operated by a qualified contractor. Lincoln requires the contractor to provide annual budgets for all operating costs, including WWTRF repairs and replacement. Lincoln includes these projected expenditures in the annual budget for Lincoln's wastewater operations.

EXHIBIT 13 – JOINT DEBT ISSUANCE POLICY

Mid-Western Placer Regional Sewer Project Facilities
Joint Debt Issuance Policy
As of September 20, 2013

Purpose of Policies

This Joint Debt Issuance Policy has two main objectives:

- Provide guidance for managing the long range capital needs of the Regional Facilities
- Establish common public finance policies and procedures for the Parties

This policy only applies to joint debt of the Parties.

Advisory Committee

An Advisory Committee shall be formed for the purpose of carrying out the guidance set forth in the Public Finance Policies and Procedures.

- Activities: The Advisory Committee will serve as a non-binding forum for reviewing all aspects of proposed financing, including legal, financial, and political issues associated with such financings. The Advisory Committee will recommend financings to the Parties when appropriate and consistent with these Policies. The Advisory Committee will review its work and process on an "as-needed" basis.
- Members: The Authorized Representatives of the Parties will each appoint a mutually agreed number of persons to serve on the Advisory Committee. A Member may appoint a designee to act in their place. The Advisory Committee may consult with professionals such as legal counsel, financing consultants, auditors, and other service providers as needed in order to assist with the implementation and management of the Policies.

Long Range Financial Planning

The Party's ability to maintain its financial stability is enhanced by engaging in sound, long range, financial planning. Under the direction of the Authorized Representatives, the Advisory Committee will review and update long range plans. Updates will identify and prioritize the capital investments to be made, and provide budget and cash flow projections for such investments. To the extent insufficient revenues are identified, the Advisory Committee will notify the Parties so that projects can be reduced or deferred or a recommendation can be made regarding alternative funding sources. Such funding sources may include the following:

- Existing Users: Pay maintenance and operations (M&O) fees that will fund the operations of the Regional Facilities and capital costs providing benefit to existing users. The timing and amount of M&O fees paid from existing users is certain, and can therefore be relied on to pay debt repayments.

- Future Users: Pay their fair share of regulatory compliance and capacity needed to serve new development when building permits are issued. The timing and amount of connection fees are uncertain, and therefore are not considered reliable for purposes of

making debt payments. Consequently, if debt is intended to be repaid from connection fees, it is important that the Parties maintain reserve funds that can be used to fund debt service payments in the event that connection fees do not materialize as anticipated.

- Fund Balances/Reserves: Reserve Funds are a primary funding source for capital improvements, required for the Regional Facilities. In order to ensure available funding, reserves should be used only for capital expenditures, rate stabilization, and debt service coverage. Reserves should not be used for operating cash purposes.

- Other Funding Sources: The Advisory Committee will consider other funding sources that serve the Regional Facilities. Such funding sources may include the following:
  - Subsidies may be provided for any purpose including, rate/fund stabilization.
  - State and Federal Grants may be provided. The Advisory Committee will encourage the use of such grants when available.

Short Term Debt

The Advisory Committee may recommend "bridge financing" to the Parties to satisfy short term cash flow needs. The Advisory Committee will only recommend "bridge financing" when there is a repayment source that is certain in terms of timing and amount to repay the principal and interest of the bridge financing when due. This type of financing is short-term in nature with a term of up to five years.

Long Term Debt

Participating in the Regional Facilities will require the Parties, and possibly other agencies, to incur debt that cannot be repaid within a short period of time (typically one to five years). Such debt may be referred to as long term debt. Long term debt may be necessary to complete future capital investments that will be required for certain purposes related to the expansion, conveyance and regulatory compliance of the Regional Facilities.
Debt issued to support the treatment plant can be issued using various financing techniques, including but not limited to the following:

- Revenue Debt: Payable from a specific pledged revenue source

- Direct Debt: Payable from general revenues, including Certificates of Participation and capital leases

- State Revolving Loans: Debt secured by a dedicated revenue source, but a variety of revenue sources may be used

- Mello-Roos and Assessment Financings: Debt payable from special taxes and assessments levied on real property

- Internal Borrowing: Loans for short term cash flow needs

- Grant Anticipation Notes: Loans payable from grants that have been budgeted and appropriated

There are numerous legal, policy and financial limitations that apply to the type of debt to be issued. The purpose of this policy is not to define the specific limitations of each type of debt that may be issue given the wide range of financing options.

The Advisory Committee should consult each Party participating in a financing to determine if there are specific financial and policy limitations that apply to the type of debt to be issued. Specific limitations found in existing policies may include, but not be limited to the following:

- Measurements of acceptable debt levels
- Use of variable and fixed interest rate debt
- Use of alternative financing products such as interest rate swaps
- Acceptable debt service amortization and financing term
- Criteria for determining method of sale
- Criteria for refinancing debt
- Use of third party professionals
- Covenant compliance

There are a few guidelines, however, that merit particular discussion given the nature of the repayment sources and debt burden. These guidelines are as follows:

- Debt Service Coverage Ratio: As part of the credit evaluation process for a financing, whether it be through the State Revolving Fund or a traditional tax-exempt financing, the lender will typically require the obligated parties to collect revenue in excess of annual debt service payments. This is called "debt service coverage". The State Revolving Fund requires revenues to equate to 110% of annual debt service. Traditional lenders may have significantly higher debt coverage requirements, depending on the overall credit quality of the issuer and market conditions at the time of a debt issuance.

- Reserve Funds: Parties that are obligated to repay debt should establish reserve funds needed to ensure adequate cash flow throughout the debt repayment period; provide sufficient debt service coverage; set-aside a debt service reserve fund as may be required as part of a loan. Available M&O and connection fee revenue collected during the construction period, but before debt repayment begins can be used to achieve balances to help repay a financing.

- Equitable for Current and Future Users: The type of user benefitting from a financing should be proportionally liable for repayment of the financing. Current users should not bear the cost attributable to future users and vice versa. Debt financing plans should demonstrate how financings will be equitable to each user group.

- Security for debt repayment: Typically, assets are used as security for debt repayment. The asset should have a value and useful life sufficient to support the debt issuance.

- Conduit and Joint Power Authority Financings: The Parties may decide to form a Joint Powers Authority ("JPA"). Typically, JPA's have the power to issue debt. It is common for a JPA to issue debt when there is more than one revenue source needed to repay debt. For example, a JPA may be used when combining enterprise fees and general fund revenues. In addition, under federal tax law, it may become necessary for the

Parties to issue debt, on behalf of certain private activities. JPA's may also be used for this purpose.

Review of Debt Financings

Members of the Advisory Committee should evaluate the various aspects of any financing. In particular, financings should be reviewed evaluated based on the following criteria:

- Purpose of the financing
- Project costs (Issuance and total costs)
- Repayment plan
- Debt structure
- Debt affordability
- Basis for assumptions
- Risks to issuing entity and parties obligated to repay debt
- Consideration of how financing fits into overall capital plan
- Issuance timing

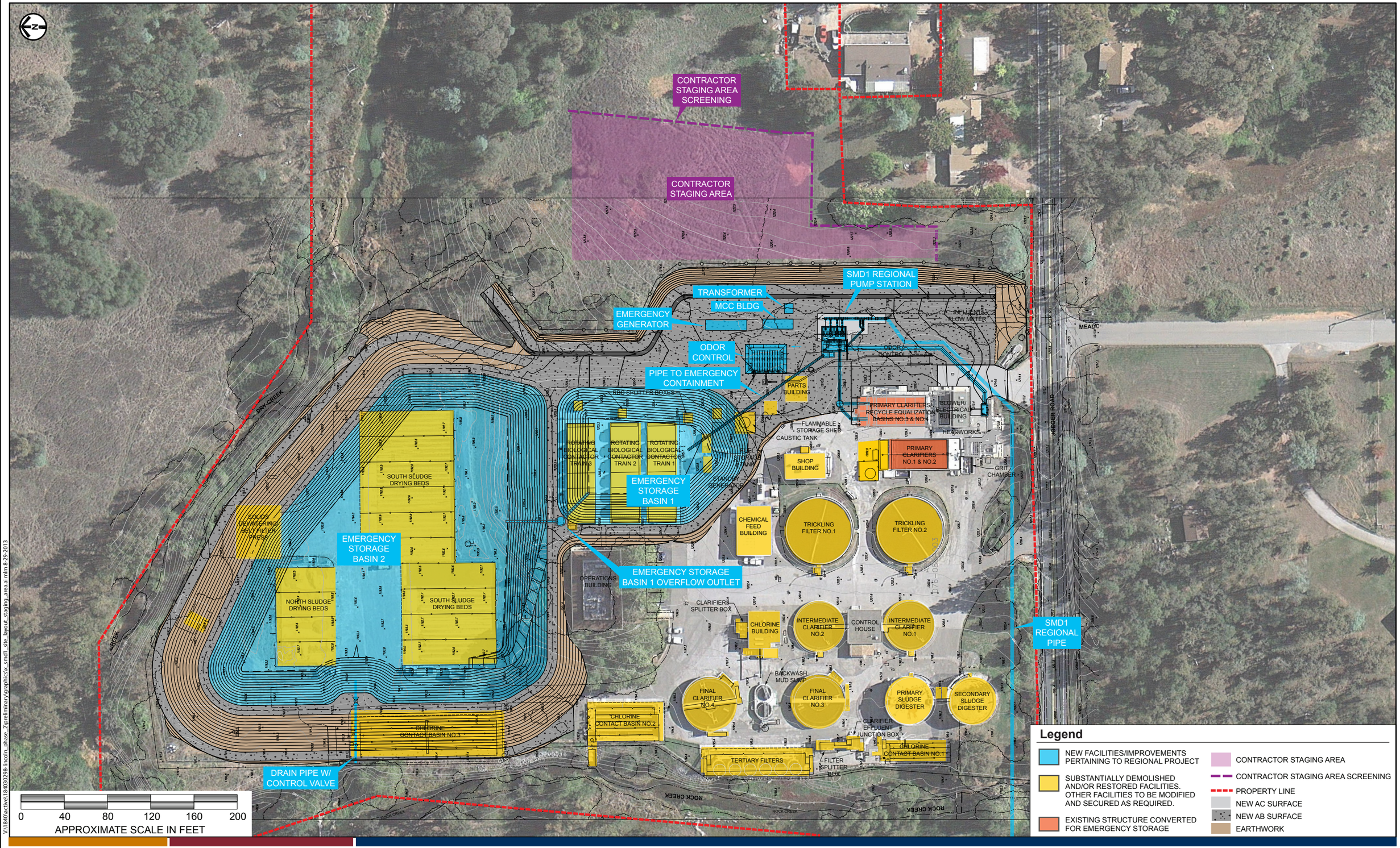
The governing board or council of each Party should be presented with the results of the financing review before requesting formal approval of a financing.

Additional Provisions

Additional provisions may be added to assist in the prudent financial management and accountability of the Regional Facilities.

EXHIBIT 14 – TEMPORARY LAYDOWN AREA

The temporary laydown area is the area labeled as "Contractor Staging Area" on the attached drawing.



Original Printed in Color

Layout of Existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and Improvements

Stantec

Midwestern Placer Regional Sewer Project

EXHIBIT 15 – DAVIS-BACON REQUIREMENTS

1. Required Contract and Subcontract provisions

(a) Lincoln, as a subrecipient of SRF funding, must insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of any portion of the Lincoln-County Project the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) Lincoln, on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and Lincoln agrees on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by Lincoln to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and Lincoln do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. Lincoln shall, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees

under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to Lincoln, and Lincoln shall submit weekly those payrolls to the County and the State. Such documentation shall be available on request of the State or EPA. As to each payroll copy received, Lincoln shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to Lincoln for transmission to the State Water Board or EPA if requested by EPA, the State Water Board, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to Lincoln.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is

performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Lincoln, County, State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

2. Contract Provision for Contracts in Excess of $100,000.

(a) Contract Work Hours and Safety Standards Act. Lincoln must insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of

the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Section 1, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. Lincoln, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Section 1, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, Lincoln shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and

weekly number of hours worked, deductions made, and actual wages paid. Further, Lincoln shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the EPA, State Water Board and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

3. Compliance Verification

(a) Lincoln shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) Lincoln shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, Lincoln should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Lincoln must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Lincoln shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) Lincoln shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. Lincoln shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, Lincoln should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Lincoln must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations Lincoln shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) Lincoln shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Lincoln must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at http://www.dol.gov/esa/contacts/whd/america2.htm.

EXHIBIT 16 – FEDERAL REQUIREMENTS

Lincoln agrees to comply with the following conditions required by the State Water Board and U.S. Environmental Protection Agency (USEPA):

1. No recipient or subrecipient may receive funding under this Agreement unless it has provided its DUNS number to the State Water Board. (2011 Cap Grant)

2. Executive Compensation. If Lincoln receives 80 percent or more of its annual gross revenues from federal procurement contracts (and subcontracts) and $25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), Lincoln agrees to notify the State Water Board. Lincoln agrees to provide information regarding executive compensation to the State Water Board upon request, in order for the State Water Board to comply with USEPA requirements.

3. Trafficking in Persons. Lincoln, its employees, contractors and subcontractors and their employees may not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. Lincoln must include this provision in its contracts and subcontracts under this Agreement. Lincoln must inform the County and State Water Board immediately of any information regarding a violation of the foregoing. Lincoln understands that failure to comply with this provision may subject the State Water Board to loss of federal funds in the amount of $101,065,000. Lincoln agrees to compensate the County or State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. (Trafficking Victims Protection Act of 2000.)

4. Contractors, Subcontractors, Debarment and Suspension, Executive Order 12549; 2 CFR Part 180; 2 CFR Part 1532. Lincoln shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". Lincoln shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35, Gov. Code 4477)

Lincoln certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Suspension and debarment information can be accessed at http://www.sam.gov. Lincoln represents and warrants that it has or will include a term or conditions requiring compliance with this provision in all of its contracts and subcontracts under this Agreement. Lincoln acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

5. Anti-Lobbying Provisions (40 CFR Part 34) & Anti-Litigation Provisions (2 CFR 220, 225, or 230). Lincoln shall ensure that no funds provided under this Agreement are used to engage in lobbying of the federal government or in litigation against the United States unless authorized under existing law. Lincoln shall abide by 2 CFR 225 (OMB Circular A-87) (or, if not applicable, other parallel requirements), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities. Lincoln agrees to comply with 40 CFR Part 24, New Restrictions on Lobbying. Lincoln agrees to submit certification and disclosure forms in accordance with these provisions. In accordance with the Byrd Anti-Lobbying Amendment, if Lincoln makes a prohibited expenditure under 40 CFR Part 34 or fails to file the required certification or lobbying forms, it shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure. Lincoln shall abide by its respective 2 CFR 200, 225, or 230, which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.

6. Disadvantaged Business Enterprises. 40 CFR Part 33. Lincoln agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises. The DBE rule can be accessed at www.epa.gov/osbp. Lincoln shall comply with, and agrees to require its prime contractors to comply with 40 CFR Section 33.301, and retain all records documenting compliance with the six good faith efforts.

7. Lincoln agrees to comply with the Davis-Bacon provisions in Exhibit 15.

Lincoln agrees to comply with the following federal laws, as applicable to subrecipients of SRF funding:

Environmental Authorities

1. Archeological and Historical Preservation Act of 1974, Pub. L. 86-523, as amended, Pub. L. 93-291 16 USC § 469a-1.

2. Clean Air Act, Pub. L. 84-159, as amended.

3. Coastal Barrier Resources Act, Pub. L. 97-348, 96 Stat. 1653; 16 USC § 3501 et seq.

4. Coastal Zone Management Act, Pub. L. 92-583, as amended; 16 USC § 1451 et seq.

5. Endangered Species Act, Pub. L. 93-205, as amended; 16 USC § 1531 et seq..

6. Environmental Justice, Executive Order 12898.

7. Floodplain Management, Executive Order, 11988 as amended by Executive Order 12148.

8. Protection of Wetlands, Executive Order 11990, as amended by Executive Order No. 12608.

9. Farmland Protection Policy Act, Pub. L. 97-98; 7 USC § 4201 et seq.

10. Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended.

11. National Historic Preservation Act of 1966, Pub. L. 89-665, as amended, 80 Stat. 917 (1966) 16 USC § 470 et seq.

12. Safe Drinking Water Act, Pub. L. 93-523, as amended; 42 USC § 300f et seq.

13. Wild and Scenic Rivers Act, Pub. L. 90-542, as amended, 82 Stat. 913; 16 USC § 1271 et seq.

14. Essential Fish Habitat Consultation. Pub. L. 94-265, as amended, 16 USC § 1801 et seq.

15. Recycled Materials. Executive Order 13101; Section 6002 Resource Conservation and Recovery Act – 42 USC § 6962.

Economic and Miscellaneous Authorities

1. Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372/ 42 USC § 3331 et seq.

2. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368; 40 CFR Part 31.

3. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655

4.. Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, EO 13202, as amended by EO 13208.

6. Hotel and Motel Fire Safety Act of 1990 (PL 101-391, as amended). All conference, meeting, convention, or training funded in whole or in part with federal funds shall comply with the protection and control guidelines of this act. Recipients may search http://www.usfa.dhs.gov/applications/hotel/.

7. Records and financial reporting requirements. 40 CFR Part 31.

8. Copyright requirements. 40 CFR Part 31.

Social Policy Authorities

1. Age Discrimination Act of 1975, Pub. L. 94-135; 42 USC § 6102.

2. Race Discrimination. Title VI of the Civil Rights Act of 1964, Pub. L. 88-352.1; 42 USC § 2000d; 40 CFR Part 7.

3. Sex Discrimination. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act); 33 USC § 1251; 40 CFR Part 7.

4. Disability Discrimination. Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250); 29 USC § 794; 40 CFR Part 7.

5. Equal Employment Opportunity, Executive Order 11246.

6. Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590.

EXHIBIT 17 – Conditional Dismissal of DFW Protest

See attached.

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Region 2 – North Central Region
1701 Nimbus Road, Suite A
Rancho Cordova, CA 95670
www.wildlife.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director

August 16, 2013

City of Lincoln
c/o Mark Miller
600 6th Street
Lincoln, CA 95648

Subject: CONDITIONAL DISMISSAL OF PROTEST OF CHANGE PETITION FOR WASTEWATER DISCHARGE PERMIT 0071 (WW0071) FILED BY CITY OF LINCOLN IN PLACER COUNTY

Dear Mr. Miller:

The City of Lincoln (City), Placer County and the Department of Fish and Wildlife (Department) after several meetings have negotiated conditions for the dismissal of the Department's protest against the City's petition for change. The subject change petition proposes to eliminate discharge from the Sewer Maintenance District 1 Wastewater Treatment Plant (SMD 1 WWTP) as well as dilution water to Rock Creek in Placer County. The Department filed a protest against the petition for change based on concerns for potential impacts to Rock Creek resulting from the reduction of flow. This letter describes our understanding of the agreed upon conditions of dismissal. The Department is seeking your concurrence with this understanding so that it may dismiss its protest.

The following are the conditions agreed to by the City for dismissal of the Department's protest:

1. To compensate for the loss of 0.96 acres of wetted habitat within Rock Creek due to reduction of flows, the City or its successor agency shall design, permit, and implement a restoration project, or provide funds to the Placer County Land Trust or equivalent jurisdiction, for the preservation of stream habitat within the Coon Creek Watershed.

    a. The City shall expend $79,000 to preserve or restore stream habitat;

    b. The restoration or preservation plan shall be completed in consultation with the Department; and

    c. The restoration or preservation plan shall be implemented within five years of Project completion.

2. The City agrees to secure transition water in the amount of 0.5 cubic feet per second (cfs) to reduce the potential of Rock Creek going dry as Placer County ceases discharge from SMD 1 and the purchase of dilution water.

    a. Transition water must be purchased for an average of 20 days per year, as necessary when flow is approaching zero;

    b. Transition water must be purchased as necessary when flow is approaching zero, until minimum flows are provided under a new license for the Drum-

Spaulding FERC Project or for a maximum of 10 years commencing from Project completion if the FERC license is delayed;

c. Rock Creek flow will be monitored at the R1 gage (upstream) of SMD 1 WWTP; and

d. At times when transition water is necessary but not technically feasible for delivery, equivalent water will be purchased to bank flows that shall be applied to the system at appropriate low flow periods when water becomes available.

If the above conditions are acceptable, the Department's protest against the City's petition for change of WW0071 will be dismissed and a letter indicating the protest is dismissed will be submitted to the State Water Resource Control Board Department of Water Resources. If you have any questions regarding these conditions, please contact Lauren Mulloy at (916) 358-2909 or Lauren.Mulloy@wildlife.ca.gov; or you may direct written correspondence to the Department at the address above.

Sincerely,

Tina Bartlett
Regional Manager

ec: Jeff Drongesen
Marylisa Lynch
Lauren Mulloy
Patrick Moeszinger
Department of Fish and Wildlife

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EXHIBIT 18 – Uniform Method of Assigning EDUs

EDUs will be assigned as follows:

1. EDUs for single residential units will be determined based on a 215 gallons per day (gpd) per unit (detached house, condominium, apartment, etc.) with a Biological Oxygen Demand (BOD) and Suspended Solids level (SS) less than or equal to 300 mg/l.

2. Before Treatment Substantial Completion, the Authorized Representatives will jointly agree upon a method for assigning EDUs to non-residential dischargers.