

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

To: Honorable Board of Supervisors Date: July 7, 2015

From: Ken Grehm, Facility Services Interim Director  
By: Bill Zimmerman, P.E. Deputy Director

Subject: Environmental Engineering / Amendment 1 to the Construction, Operations and Joint Exercise of Powers Agreement / City of Lincoln / Mid-Western Placer Regional Sewer Project

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**ACTION REQUESTED:**

Adopt a Resolution delegating authority to the Director of Facility Services or designee to, contingent upon approval by the Lincoln City Council, approve Amendment 1 to the Construction, Operations and Joint Exercise of Powers Agreement with the City of Lincoln for the Mid-Western Placer Regional Sewer Project which, in addition to other provisions, increases the Capital Charge from \$73,203,000 to \$77,808,400 to include upsizing a portion of the Regional Pipeline to accommodate future flows from the City of Auburn and account for an inflation adjustment. Funding is provided by the City of Auburn (\$2,091,100), and Sewer Maintenance District 1 user fees (\$2,514,300).

**BACKGROUND:** On October 8, 2013, your Board approved the Construction, Operations, and Joint Exercise of Powers Agreement (COJA) between the County and City of Lincoln (Lincoln) for the Mid-Western Placer Regional Sewer Project (Regional Project) in order to bring the Sewer Maintenance District 1 (SMD 1) wastewater treatment plant (Plant 1) into compliance with its regulatory permit requirements. The COJA provides for the construction of the Regional Project including decommissioning Plant 1 and constructing a pump station on the site, installation of approximately 13 miles of pipeline from Plant 1 to Lincoln, and construction of 1.7 million gallons per day of capacity at the Lincoln wastewater treatment plant for a Capital Charge of \$73,203,000. Construction on the Regional Project began in December 2013. Lincoln's current project schedule indicates the Regional Project will be operational by September 1, 2015.

Amendment 1 to the COJA includes the following elements:

**Auburn Oversizing**

On November 16, 2013, the County entered into a Funding Agreement with the City of Auburn (Auburn) to oversize the Regional Pipeline to accommodate Auburn's future wastewater flows. In addition to reimbursing the County for design and environmental review costs that were previously performed by the County on Auburn's behalf under the Design and Environmental Review Agreement, the Funding Agreement includes payment from Auburn to fund the incremental construction cost of the oversized pipeline. This item will increase the Capital Charge by \$2,091,100 and will be reimbursed to the County by Auburn as construction progresses. Additionally, Auburn is responsible for its proportional share (23.72%) for any construction change order costs associated with the common section of pipeline.

**Inflation Adjustment**

The COJA includes a \$1,020,000 inflation allowance based on a 2% increase of an estimated construction cost of \$51,000,000. The COJA also includes provisions for a construction inflation

adjustment based on changes in the Engineering News & Record 20 City Construction Index (CCI) from February 1, 2012 to July 2014, the estimated midpoint of construction. During this timeframe, the CCI increased a total of 6.93% which, after subtracting out the original inflation allowance, results in a \$2,514,300 increase in the Capital Charge.

#### Lincoln Capital Charge Adjustments

Lincoln has requested to adjust the breakdown of the Capital Charge to account for \$3,540,438 in increases in their project management, construction management, mitigation monitoring, and inspection/testing costs. The adjusted breakdown also includes \$472,916 in construction change orders that Lincoln has executed as of May 31, 2015. These increases will be offset by decreases in the project contingencies and the Oversizing Payment that will be paid to Lincoln upon completion of the project.

#### Virginiatown Road Restoration

Roadway restoration along the Regional Pipeline alignment on Virginiatown Road includes repaving the trench width and a slurry seal over the full width of the roadway. Amendment 1 removes this work from the pipeline construction project and provides equivalent funding (\$497,286) to the County's Department of Public Works who will include a 3-inch overlay on Virginiatown Road as part of their annual overlay project.

Additionally, your Board's action resolves a number of administrative issues including acceptance of the wastewater pipeline along Highway 193 that was constructed as part of the Bickford development project, modifying payment processing procedures to account for Auburn's participation in the Regional Project, and designating a portion of the Plant 1 site for the County's future use. A copy of Amendment 1 to the COJA is provided as Attachment 2. A detailed breakdown of the original and proposed adjustments to the Capital Charge is provided in Attachment 3.

#### **ENVIRONMENTAL CLEARANCE:**

On May 28, 2013, the Lincoln City Council, as Lead Agency, certified the Environmental Impact Report (EIR) and adopted the Mitigation Monitoring and Reporting Plan (MMRP) for the Regional Project. The Notice of Determination was filed on May 29, 2013. On August 20, 2013, your Board, as a Responsible Agency, approved the EIR and MMRP, for use on the Regional Project.

#### **FISCAL IMPACT:**

Amendment 1 to the COJA will increase the Capital Charge of the Regional Project by \$4,605,400 from \$73,203,000 to \$77,808,400. Of this amount, \$2,091,100 will be reimbursed through the Funding Agreement with Auburn. The remaining \$2,514,300 will be funded through a Clean Water State Revolving Fund (SRF) financing agreement repaid through SMD 1 user fees. The adjustments to the Capital Charge included in Amendment 1 to the COJA are consistent with the provisions of our SRF financing and do not require any additional adjustment to the SMD 1 user fees.

Attachment 1- Resolution  
Attachment 2- Amendment 1 to The COJA  
Attachment 3- Capital Charge Breakdown

KG/BZ/DA/LM

CC: COUNTY EXECUTIVE OFFICE

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# Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: \_\_\_\_\_

**A RESOLUTION DELEGATING AUTHORITY TO  
THE DIRECTOR OF FACILITY SERVICES OR  
DESIGNEE, CONTINGENT UPON APPROVAL BY  
THE LINCOLN CITY COUNCIL, TO EXECUTE  
AMENDMENT 1 TO THE CONSTRUCTION,  
OPERATIONS AND JOINT EXERCISE OF  
POWERS AGREEMENT FOR THE MID-  
WESTERN PLACER REGIONAL SEWER  
PROJECT**

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of said Board

WHEREAS, the County entered into a Construction, Operation and Joint Exercise of Powers Agreement (COJA) with the City of Lincoln (Lincoln) on October 8, 2013, for the construction and operation of the Mid-Western Placer Regional Sewer Project (Regional Project); and

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

RESOLUTION # \_\_\_\_\_

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WHEREAS, during the course of construction, the County and Lincoln have identified certain construction and implementation matters that are identified and documented in Amendment 1 to the COJA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Placer, State of California, this Board authorizes the Director of Facility Services or designee, contingent upon approval by the Lincoln City Council, to execute Amendment 1 to the Construction, Operations and Joint Exercise of Powers Agreement for the Mid-Western Placer Regional Sewer Project, and to take other administrative actions related to the Regional Project including acceptance of the wastewater pipeline along Highway 193 that was constructed as part of the Bickford development project.

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

**by and among**

**COUNTY OF PLACER**

**and**

**CITY OF LINCOLN**

**made as of**

\_\_\_\_\_, 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 \_\_\_\_\_ day of \_\_\_\_\_, 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 remove 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 storm drain culvert repairs and replacements 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) Items(i),(ii), and (iii) above will be completed no later than August 1, 2015. All costs associated with a delay beyond August 1, 2015 will be paid solely by Lincoln and shall not increase the Capital Cost.

(v) 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.

(vi) Forward payment to County in the amount of Four Hundred Ninety Seven Thousand Two Hundred Eighty Five and 83/100 dollars (\$497,285.83) on or before September 1, 2015 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 Thousand Two Hundred Eighty Five (\$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. 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.”

9. 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.

10. 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.

11. 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.

12. 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.

13. 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: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
County Counsel

ATTEST:

BY: \_\_\_\_\_  
Clerk, Board of Supervisors

**CITY OF LINCOLN**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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 <sup>1, 2</sup>     |
| Project Management/Administration (i.e., Allowable Staff Costs):    | \$1,750,000 <sup>3</sup>        |
| Construction Work (Direct):   | \$42,234,982 <sup>4, 5, 6</sup> |
| Construction Management:  | \$6,832,000 <sup>7</sup>        |
| Engineering Services during Construction:                           | \$2,138,000 <sup>8</sup>        |
| Mitigations and Mitigation Monitoring:                              | \$797,222 <sup>9</sup>          |
| Inspection/Testing:   | \$200,000 <sup>10</sup>         |
| Capital Contingency (includes Inflation Adjustment <sup>11</sup> ): | \$10,237,508                    |
| Oversizing Contingency:   | \$7,070,338                     |
| <b>Total Capital Charge:</b>  | <b>\$77,808,400</b>             |

<sup>1</sup> 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.

<sup>2</sup> 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          | \$5,745,703 |
| Easements & Land Acquisition      | \$477,122   |
| Project Management/Administration | \$355,583   |
| Permitting                        | \$14,787    |

<sup>3</sup> Includes \$500,000 of Allowable Staff Costs and \$1,250,000 of Excess Allowable Staff Costs

<sup>4</sup> Includes \$2,091,100 for Auburn Oversizing of the Joint Export Pipeline.

<sup>5</sup> Includes \$497,283 for pavement restoration of the Virginiatown Road/Fowler Road area known as the "Repavement Area" being performed by County.

<sup>6</sup> Includes Construction Contract Change Orders paid through May 31, 2015, totaling \$579,819.

<sup>7</sup> Includes an adjustment of \$1,032,000 was made for Construction Management which reduced the Capital Contingency by the same amount.

<sup>8</sup> Includes an adjustment of \$362,000 was made between Engineering Services During Construction and Mitigations and Mitigation Monitoring, resulting in a net zero change.

<sup>9</sup> Includes an adjustment of \$362,000 was made between Engineering Services During Construction and Mitigations and Mitigation Monitoring as well as an adjustment of \$185,222.

<sup>10</sup> Includes an adjustment of \$100,000 for inspection of work in County Roadways.

<sup>11</sup> 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 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            | \$1,500,000             |                                 |                | \$                       |
| Construction Work (Direct)          | \$39,564,063            |                                 |                | \$                       |
| Construction Management             | \$6,946,000             |                                 |                | \$                       |
| Engineering Services – Construction | \$2,138,000             |                                 |                | \$                       |
| Mitigations & Mitigation Monitoring | \$612,000               |                                 |                | \$                       |
| Inspection/Testing                  | \$200,000               |                                 |                | \$                       |
| Capital Contingency                 | \$11,138,549            |                                 |                | \$                       |
| Oversizing Contingency              | \$7,070,338             |                                 |                | \$                       |
| Auburn Oversizing                   | \$2,091,100             |                                 |                |                          |

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.

***[Exhibit to Be Added]***

**EXHIBIT 19 – COUNTY-AUBURN FUNDING AGREEMENT**

***[Exhibit B of County-Auburn Funding Agreement Omitted for Space Reasons]***

**Attachment 3 - Capital Charge Breakdown**

| <b>COST CATEGORIES</b>                   | <b>EXHIBIT 5- ORIGINAL BUDGET</b> | <b>BUDGET MODIFICATIONS</b> | <b>EXHIBIT 5-1 AMENDED BUDGET</b> | <b>COMMENTS</b>   |
|--|-----------------------------------|-----------------------------|-----------------------------------|---|
| DERA Costs                               | \$ 6,548,350                      | \$ -                        | \$ 6,548,350                      | No Change   |
| Project Management /Administration       | \$ 500,000                        | \$ 1,250,000                | \$ 1,750,000                      | \$1.25M offset by a decrease in the Capital Contingency as an advance on the Oversizing Payment.  |
| Construction Work (Direct)               | \$ 39,564,063                     | \$ 2,066,730                | \$ 41,630,793                     | Capital Charge increase for Joint Pipeline Oversizing of \$2,091,100 paid by City of Auburn.<br>Construction Contract Change Orders Executed through 5/31/15 totaling \$472,916 offset by a decrease in the Capital Contingency.<br>Reduction of \$497,286 offset by increase in Repavement Area. |
| Construction Management                  | \$ 5,800,000                      | \$ 1,532,000                | \$ 7,332,000                      | Increased Consultant CM services costs of \$1.532M offset by a decrease in the Capital Contingency (includes \$500k of contingency).  |
| Engineering Services During Construction | \$ 2,500,000                      | \$ (362,000)                | \$ 2,138,000                      | Reduction in Engineering Services of \$362K offset by increase in Mitigation and Monitoring costs.  |
| Mitigations and Mitigation Monitoring    | \$ 250,000                        | \$ 547,522                  | \$ 797,522                        | Increase in Mitigation and Monitoring costs of \$547,522 offset by a \$362K reduction in Engineering Services and a \$185,522 decrease in the Capital Contingency.  |
| Inspection/Testing                       | \$ 100,000                        | \$ 100,000                  | \$ 200,000                        | Increase in the cap on County roadway inspection offset by \$100K decrease in the Capital Contingency.  |
| Capital Contingency                      | \$ 9,850,249                      | \$ (6,138)                  | \$ 9,844,111                      | Total Inflationary Adjustment increases Capital Contingency by \$3,540,438, which includes \$1.02M Inflation Allowance and a \$2,514,300 net increase to the Capital Charge.<br>Other offsets noted above decrease the Capital Contingency by \$3,540,438   |
| Oversizing Contingency                   | \$ 7,070,338                      | \$ -                        | \$ 7,070,338                      | No Change   |
| Inflation Allowance                      | \$ 1,020,000                      | \$ (1,020,000)              | \$ -                              | Included in the Total Inflationary Adjustment in the Capital Contingency.   |
| Repavement Area                          | \$ -                              | \$ 497,286                  | \$ 497,286                        | \$497,286 to be paid to County for paving Virginiatown/Fowler Roads. No net change to Capital Charge or Capital Contingency.  |
| <b>Total Capital Charge:</b>             | <b>\$ 73,203,000</b>              | <b>\$ 4,605,400</b>         | <b>\$ 77,808,400</b>              | <b>\$2,091,100 increase in Capital Charge paid by City of Auburn</b><br><b>\$2,514,300 increase in Capital Charge paid by County through SRF Loan proceeds.</b>   |