

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

Dated January 1, 2019

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

RECITALS

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

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

AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

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

2011 Bonds is defined in the Funding Agreement.

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

Bonds is defined in the Funding Agreement.

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

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

Dry Creek Plant is defined in the Funding Agreement.

Event of Default is defined in the Funding Agreement.

Fiscal Year is defined in the Funding Agreement.

Funding Agreement is defined in Recital B.

Indenture is defined in the Funding Agreement.

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

Other Superseded Agreements is defined in the Funding Agreement.

Parity Bonds is defined in the Funding Agreement.

Parity Bonds Instrument is defined in the Funding Agreement.

Participant is defined in the Funding Agreement.

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

Pleasant Grove Plant is defined in the Funding Agreement.

Proportional Volumetric Share is defined in the Funding Agreement.

Reclaimed Water is defined in the Funding Agreement.

Regional Connection Fees is defined in the Funding Agreement.

Regional Operation and Maintenance Costs is defined in the Funding Agreement

Regional Wastewater Facilities is defined in the Funding Agreement.

Related Regional Infrastructure is defined in the Funding Agreement.

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

Trustee is defined in the Funding Agreement.

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

2. Operation and Maintenance of Regional Wastewater Facilities.

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

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

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

3. Charges for Regional Operation and Maintenance Costs.

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

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

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

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

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

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

4. Inflow and Infiltration; Maintenance of Participant Systems.

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

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

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

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

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

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

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

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

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

9. Ordinance Modification; Compliance with Discharge Permits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

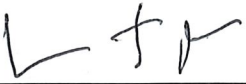
With a copy to:
Placer County Counsel
175 Fulweiler Avenue
Auburn, CA 95603
Attention: County Counsel

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


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

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

SOUTH PLACER WASTEWATER AUTHORITY

BY: 
Kenneth Glotzbach
Executive Director

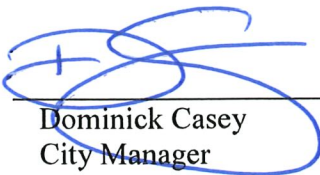
ATTEST:

BY: 
Secretary, Board of Directors


APPROVED AS TO LEGAL FORM:

BY: 
Osman I. Mufti
Authority's General Counsel

CITY OF ROSEVILLE

BY: 
Dominick Casey
City Manager

ATTEST:

BY: 
Sonia Orozco
City Clerk

APPROVED AS TO FORM:

BY: Robert R. Schmitt
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: Richard D. Plecker
Richard D. Plecker
Environmental Utilities Director

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY: _____
Adam Brown
District Counsel

ATTEST:

BY: _____
Joanna Belanger
Secretary to the Board of Directors

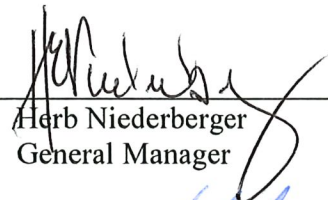
APPROVED AS TO FORM:

BY: _____
Robert R. Schmitt
City Attorney

APPROVED AS TO SUBSTANCE:

BY: _____
Richard D. Plecker
Environmental Utilities Director

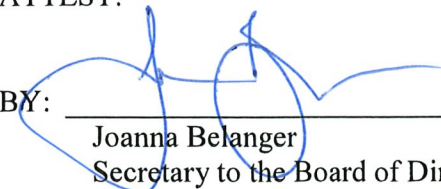
SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY:  _____
Herb Niederberger
General Manager

APPROVED AS TO FORM:

BY:  _____
Adam Brown
District Counsel

ATTEST:

BY:  _____
Joanna Belanger
Secretary to the Board of Directors

COUNTY OF PLACER

BY: 
Chair, Board of Supervisors

APPROVED AS TO FORM:

BY: 
Robert Sandman, Sup. Deputy
County Counsel

ATTEST:


BY: 
Clerk, Board of Supervisors

EXHIBIT A

Service Area

EXHIBIT B

Dry Creek - West Placer Community Plan Area

EXHIBIT C

Agreement for Industrial Waste Pretreatment Program

EXHIBIT D

Funding Agreement Definitions (as of January 31, 2019)

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

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

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

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

Authority is defined in the preamble.

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

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

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

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

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

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

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

City is defined in the preamble.

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

County is defined in the preamble.

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

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

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

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

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

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

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

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

District is defined in the preamble.

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

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

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

Event of Default means:

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

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

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

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

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

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

JPA Agreement is defined in Recital A.

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

MGD means millions of gallons per day.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT E

Methodology for Estimating County Flows

RESOLUTION NO. 19-37

APPROVING THE SECOND AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION AND USE OF THE SOUTH PLACER REGIONAL WASTEWATER FACILITIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE FOLLOWING SOUTH PLACER WASTEWATER AUTHORITY BOARD APPROVAL

WHEREAS, the Second Amended and Restated Agreement Regarding the Operation and Use of the South Placer Regional Wastewater Facilities has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said amendment is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville following South Placer Wastewater Authority Board Approval.

PASSED AND ADOPTED by the Council of the City of Roseville this 16th day of January, 2019, by the following vote on roll call:

AYES COUNCILMEMBERS: Bernasconi, Alvord, Roccucci, Allard

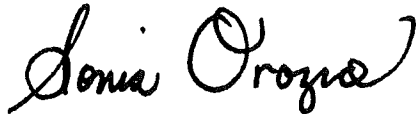
NOES COUNCILMEMBERS: None

ABSENT COUNCILMEMBERS: None



VICE MAYOR

ATTEST:



City Clerk

The foregoing Instrument is a correct copy of the original on file in the City Clerks Department.

ATTEST: _____
City Clerk of the City of Roseville, California



DEPUTY CLERK