UNION SANITARY DISTRICT BOARD MEETING/
UNION SANITARY DISTRICT FINANCING AUTHORITY
AGENDA
Monday, December 13, 2021
Regular Meeting - 4:00 P.M.

Union Sanitary District
Administration Building
5072 Benson Road
Union City, CA 94587

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

CORONAVIRUS (COVID-19) ADVISORY NOTICE

This meeting will be held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting. **To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting by following the steps listed below, and may provide public comment by sending comments to the Board Clerk by email at assistanttogm@unionsanitary.ca.gov before or during the meeting *or* via voicemail by calling 510-477-7599 before 3:00 p.m. on the date of the meeting.** Comments will then be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Board President's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

Any member of the public who needs accommodations should email or call the Board Clerk, assistanttogm@unionsanitary.ca.gov or 510-477-7503, who will use their best efforts to provide reasonable accommodations to provide as much accessibility as possible while also maintaining public safety in accordance with the Union Sanitary District procedure for resolving reasonable accommodation requests.

To listen to this Regular Board Meeting:

Call: 1-888-788-0099 *or* 1-877-853-5247

Meeting ID: 843 7791 0136 #

Participant ID: #

Click the Zoom link below to watch and listen:
https://us02web.zoom.us/j/84377910136

	1.	Call to Order.
	2.	~~Salute to the Flag.~~ (This item has been suspended due to the COVID-19 pandemic.)
	3.	Roll Call.
Motion	4.	Approve Minutes of the Union Sanitary District Board Meeting of November 8, 2021.
Motion	5.	Approve Minutes of the Union Sanitary District Special Board Meeting of November 10, 2021.
Motion	6.	Approve Minutes of the Union Sanitary District Special Board Meeting of November 11, 2021.
Motion	7.	Approve Minutes of the Union Sanitary District Special Board Meeting of November 15, 2021.
Information	8.	Operations Report: a) October 2021 Monthly Operations Report *(to be reviewed by the Budget & Finance and Legal/Community Affairs Committees).* b) Fiscal Year 2022 1st Quarter Managed Investment Portfolio Report *(to be reviewed by the Budget & Finance Committee).*
	9.	Written Communications.
	10.	Public Comment. Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available in the Boardroom and are requested to be completed prior to the start of the meeting.

UNION SANITARY DISTRICT FINANCING AUTHORITY

USDFA Motion	11.	Authorizing the Execution and Delivery of a WIFIA Loan Agreement in Accordance with the Term Sheet, a WIFIA Note, an Installment Purchase Agreement and Certain Other Documents in Connection Therewith and Certain Other Matters *(to be reviewed by the Budget & Finance Committee).*
Motion	12.	Authorizing Execution and Delivery of an Installment Purchase Agreement in Connection with a Water Infrastructure Finance and Innovation Act Loan, Authorizing the Execution and Delivery of Certain Documents in Connection Therewith and Authorizing Certain Other Actions *(to be reviewed by the Budget & Finance Committee).*
Motion	13.	Authorize the General Manager to Execute a Professional Services Agreement with Hazen and Sawyer for Interim CIP Coach Services *(to be reviewed by the Budget & Finance Committee).*

Motion	14.	Review and Consider Approval of Side Letter Agreement Between Union Sanitary District and Service Employees International Union, Local 1021, Extending MOU Through December 31, 2026.
Motion	15.	Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Carollo Engineers, Inc. for the Sodium Hypochlorite Loop Improvements Project *(to be reviewed by the Engineering and Information Technology Committee).*
Motion	16.	Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Headworks Degritting Study *(to be reviewed by the Engineering and Information Technology Committee).*
Motion	17.	Consider Adoption of a Resolution Authorizing the Use of Teleconference Meetings in Compliance with AB 361.
Information	18.	FY21 Strategic Performance Annual Report *(to be reviewed by the Legal/Community Affairs Committee).*
Information	19.	Report on the East Bay Dischargers Authority Meeting of October 21, 2021.
Information	20.	COVID-19 Update.
Information	21.	Check Register.
Information	22.	Committee Meeting Reports. *(No Board action is taken at Committee meetings):* a. Budget & Finance Committee – Wednesday, December 8, 2021, at 10:30 a.m. • Director Lathi and Director Toy b. Engineering and Information Technology Committee – Friday, December 10, 2021, at 10:00 a.m. • Director Kite and Director Fernandez c. Legal/Community Affairs Committee – Friday, December 10, 2021, at 10:30 a.m. • Director Handley and Director Lathi d. Legislative Committee – will not meet. e. Personnel Committee – will not meet.
Information	23.	General Manager's Report. *(Information on recent issues of interest to the Board).*
	24.	Other Business: a. Comments and questions. *Directors can share information relating to District business and are welcome to request information from staff.* b. Scheduling matters for future consideration.
	25.	Adjournment – The Board will adjourn to the next Regular Board Meeting to be held virtually on Monday, January 10, 2022, at 4:00 p.m.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.

BUDGET & FINANCE COMMITTEE MEETING

Committee Members: Director Lathi and Director Toy

AGENDA

Wednesday, December 8, 2021

10:30 A.M.

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

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1. Call to Order

2. Roll Call

3. Public Comment

   Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

4. Items to be reviewed for the Regular Board meeting of December 13, 2021:
   - October 2021 Monthly Operations Report – Financial Reports
   - Fiscal Year 2021 1st Quarter Managed Investment Portfolio Report
   - Union Sanitary District Financing Authority Authorizing the Execution and Delivery of a WIFIA Loan Agreement in Accordance with the Term Sheet, a WIFIA Note, an Installment Purchase Agreement and Certain Other Documents in Connection Therewith and Certain Other Matters
   - Authorizing Execution and Delivery of an Installment Purchase Agreement in Connection with a Water Infrastructure Finance and Innovation Act Loan, Authorizing the Execution and Delivery of Certain Documents in Connection Therewith and Authorizing Certain Other Actions
   - Authorize the General Manager to Execute a Professional Services Agreement with Hazen and Sawyer for Interim CIP Coach Services

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.

ENGINEERING AND INFORMATION TECHNOLOGY COMMITTEE MEETING

Committee Members: Director Kite and Director Fernandez

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

AGENDA
Friday, December 10, 2021
10:00 A.M.

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

This meeting will be held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting via conference call. To maximize public safety while still maintaining public access, members of the public can observe the meeting by calling 510-477-6190 to listen to the committee meeting, and may provide public comment by sending comments to the Board Clerk by email anytime during the meeting at assistanttogm@unionsanitary.ca.gov or via voicemail by calling 510-477-7599 up to one hour before the scheduled meeting start time.

1. Call to Order

2. Roll Call

3. Public Comment
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4. Items to be reviewed for the Regular Board meeting of December 13, 2021:
   - Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Carollo Engineers, Inc. for the Sodium Hypochlorite Loop Improvements Project
   - Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Headworks Degritting Study

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

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REVISED

UNION SANITARY DISTRICT

LEGAL/COMMUNITY AFFAIRS
COMMITTEE MEETING

Committee Members: Director Handley and Director Lathi

AGENDA
Friday, December 10, 2021
~~11:00 A.M.~~ 10:30 A.M.

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

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1. Call to Order

2. Roll Call

3. Public Comment
   Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

4. Items to be reviewed for the Regular Board meeting of December 13, 2021:
   - October 2021 Monthly Operations Report – Odor and Work Group Reports
   - FY21 Strategic Performance Annual Report

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING AUTHORITY
November 8, 2021

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the meeting to order at 4:00 p.m. The regular meeting time was modified due to the COVID-19 emergency.

SALUTE TO THE FLAG

ROLL CALL

PRESENT: Pat Kite, President
Anjali Lathi, Vice President
Manny Fernandez, Secretary
Jennifer Toy, Director
Tom Handley, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Sami Ghossain, Technical Services Manager
Armando Lopez, Treatment and Disposal Services Manager
Jose Rodrigues, Collection Services Manager
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Marcus Lee, Treatment and Disposal Services Coach
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Curtis Bosick, Enhanced Treatment and Site Upgrade Program Coordinator
Karoline Terrazas, Organizational Performance Manager
Jason Yeates, Organizational Performance Coordinator
Lily Moreno, Accounting and Financial Analyst
May Bautista, Administrative Specialist
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Lora Carpenter, Fieldman Rolapp & Associates
Doug Brown, Stradling Yocca Carlson & Rauth
Lawrence Chan, Stradling Yocca Carlson & Rauth

APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF OCTOBER 25, 2021

It was moved by Secretary Fernandez, seconded by Vice President Lathi, to Approve the Minutes of the Board Meeting of October 25, 2021. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

SEPTEMBER 2021 MONTHLY OPERATIONS REPORT

General Manager Eldredge introduced the new format for the Monthly Operations report and provided an overview of the Odor Report and Work Group Reports. Business Services Manager/CFO Carlson provided an overview of the financial reports.

WRITTEN COMMUNICATIONS
There were no written communications.

PUBLIC COMMENT
There was no public comment.

UNION SANITARY DISTRICT FINANCING AUTHORITY

AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA LOAN AGREEMENT IN ACCORDANCE WITH THE TERM SHEET, A WIFIA NOTE, AN INSTALLMENT PURCHASE AGREEMENT, AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge and Business Services Manager/CFO Carlson stated staff submitted an Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan application on April 30, 2021. The WIFIA loan will be used to fund 49% of current estimated costs for design and construction of the Enhanced Treatment and Site Upgrade (ETSU) project. District staff, bond counsel, and financial advisors have worked with the EPA and their consultants to develop the final loan agreement and term sheet included in the Board meeting packet. The resolutions presented in the Board meeting packet will approve execution and delivery of the proposed loan and authorize staff and the finance team to execute certain other actions in connection therewith. Staff recommended the Board of Directors of the Union Sanitary District Financing Authority (USDFA) adopt the proposed resolution authorizing execution and delivery of a WIFIA Loan Agreement in support of the fixed-rate WIFIA Loan up to $188,758,204 to partially fund the ETSU projects and authorizing execution and delivery of certain documents and other actions in connection therewith.

It was moved by Vice President Lathi, seconded by Director Toy, to Adopt Resolution No. 2939, a Resolution of the Board of Directors of Union Sanitary District Financing

Authority Authorizing the Execution and Delivery of a WIFIA Loan Agreement, a WIFIA Note, an Installment Purchase Agreement and Certain Other Documents in Connection Therewith and Certain Other Matters. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

AUTHORIZING EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT IN CONNECTION WITH A WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN, AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING CERTAIN OTHER ACTIONS

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Carlson stated the proposed resolution would enable the District to enter into an Installment Purchase Agreement with the Union Sanitary District Financing Authority (USDFA) and the USDFA will obtain a loan under the authority of the Water Infrastructure and Innovation Act from the United States Environmental Protection Agency. Staff recommended the Board of Directors of the Union Sanitary District adopt the proposed resolution authorizing execution and delivery of an Installment Purchase Agreement in connection with the Water Infrastructure and Innovation Act (WIFIA) Loan Agreement in support of the fixed-rate WIFIA Loan up to $188,758,204 to partially fund the ETSU projects and authorizing the execution and delivery of certain documents and other actions in connection therewith.

It was moved by Director Handley, seconded by Director Toy, to Adopt Resolution No. 2940, a Resolution of the Union Sanitary District Authorizing Execution and Delivery of an Installment Purchase Agreement in Connection with a Water Infrastructure Finance and Innovation Act Loan, Authorizing the Execution and Delivery of Certain Documents in Connection Therewith and Authorizing Certain Other Actions. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

RECEIVE PRESENTATION OF THE FISCAL YEAR 2020/21 ANNUAL COMPREHENSIVE FINANCIAL REPORT

This item was reviewed by the Audit Committee. Business Services Manager/CFO Carlson stated the Fiscal Year 2020/21 Annual Comprehensive Financial Report (ACFR), as audited by Lance, Soll & Lunghard, LLP, Certified Public Accountants, was included in the Board meeting packet. The Governmental Accounting Standard Board (GASB) recommended the report formerly known as the Comprehensive Annual Financial Report (CAFR) be changed to the Annual Comprehensive Financial Report (ACFR) and the District elected to change the name of the report for the fiscal year

ending June 30, 2021. Staff recommended the Board receive and direct staff to file the Fiscal Year 2020/21 Annual Comprehensive Financial Report (ACFR) as presented.

It was moved by Director Toy, seconded by Secretary Fernandez, to Receive and Direct Staff to File the Fiscal Year 2020/21 Annual Comprehensive Financial Report (ACFR) as Presented. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE USE OF TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361

District Counsel Murphy stated AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. The District is continuing to hold teleconferenced meetings as allowed under AB 361 due to the ongoing public health threat of COVID-19. The proposed resolution includes findings required by AB 361 to allow the District to hold teleconferenced meetings. Staff recommended the Board adopt a resolution authorizing the use of teleconference meetings in compliance with AB 361.

It was moved by Director Handley, seconded by Secretary Fernandez, to Adopt Resolution No. 2941 Authorizing the Use of Teleconference Meetings in Compliance with AB 361. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

AUTHORIZE THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 32 WITH C. OVERAA AND CO. FOR THE PRIMARY DIGESTER NO. 7 PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated Primary Digester No. 7 Project (Project) has been constructed in an area of the District's wastewater treatment plant previously identified as having asphalt pavement in poor condition. The Project scope includes replacement of all pavement surfaces directly affected by the construction work. Contract Change Order No. 32 will allow for removal and replacement of approximately 16,985 square feet of asphalt pavement located near Heating and Mixing Building No. 4. Staff recommended the Board authorize the General Manager to execute Contract Change Order No. 32 with C. Overaa and Co. in the amount of $146,920 for the Primary Digester No. 7 Project.

It was moved by Secretary Fernandez, seconded by Director Toy, to Authorize the General Manager to Execute Contract Change Order No. 32 with C. Overaa and Co. in the Amount of $146,920 for the Primary Digester No. 7 Project. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH HAZEN AND SAWYER FOR THE PUMP STATION ASSET CONDITION ASSESSMENT STUDY

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the purpose of Task Order No. 1 is to authorize Hazen and Sawyer (Hazen) to conduct a condition assessment of the pump and lift stations located in the District's transport system outside of the Alvarado Wastewater Treatment Plant. The Study will review and update the asset inventory at the stations, conduct field condition assessment of the assets, and prioritize the renewal and replacement of the assets in the Capital Improvement Program. Staff anticipates Hazen will complete the Study by Summer 2022. Staff recommended the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Hazen and Sawyer in the amount of $249,956 for the Pump Station Asset Condition Assessment Study.

It was moved by Director Toy, seconded by Director Handley, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer in the Amount of $249,956 for the Pump Station Asset Condition Assessment Study. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

AUTHORIZE THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 2 WITH GARNEY PACIFIC, INC. FOR THE EMERGENCY OUTFALL IMPROVEMENTS PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the Emergency Outfall Improvements Project's (Project) scope included removing the downstream section of the existing emergency outfall pipeline, installing a new pipeline with a higher outlet elevation, rehabilitating a section of the existing pipeline that remains, constructing a new concrete outlet structure at the Old Alvarado Creek, and installing a second pipeline between the Creek and the Alvarado Wastewater Treatment Plant. Garney Pacific, Inc. (Garney) discovered there was more corrugated metal pipe than the 40 feet anticipated; Garney confirmed the total length of the corrugated metal pipe to be 150 feet. Contract Change Order No. 2 (CCO No. 2) will extend the Project past the original completion date of

January 3, 2022. Following execution of CCO No. 2, Garney will assess the time and cost impact for the District's review and consideration. Staff recommended the Board authorize the General Manager to execute Contract Change Order No. 2 with Garney Pacific, Inc. in the amount of $235,164 for the Emergency Outfall Improvements Project.

It was moved by Director Handley, seconded by Secretary Fernandez, to Authorize the General Manager to Execute Contract Change Order No. 2 with Garney Pacific, Inc. in the Amount of $235,164 for the Emergency Outfall Improvements Project. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy
NOES: None
ABSTAIN: None
ABSENT: None

INFORMATION ITEMS:

Status of Priority 1 Capital Improvement Program Projects
This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the Board approved the Capital Improvement Program (CIP) Budget of $43.19 million for design and construction of 31 CIP Projects in June 2021. The Projects were ranked Priority 1, 2, or 3 based upon criteria prepared by staff and approved by the Executive Team. There were 18 projects ranked as Priority 1 for Fiscal Year 2022. The status of Priority 1 CIP Projects is reviewed by the Executive Team at the end of each quarter and a copy of the status report was included in the Board meeting packet.

First Quarterly Report on the Capital Improvement Program for FY22
This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated first quarter expenditures for Fiscal Year 2022 were presented in graphs included in the Board meeting packet. The graphs depicted actual expenditures versus approved budget for Capacity Fund 900, the Renewal and Replacement Fund 800, and for both funds combined. Total CIP expenditures up to September 30, 2021, were under projections for the first quarter by approximately $583,000. Projects that had significant variances from projected expenditures were presented in a table included in the Board meeting packet.

COVID-19 Update
General Manager Eldredge provided an update regarding COVID-19 impacts on District operations and coordination efforts.

Check Register
Staff responded to Boardmember questions regarding the check register.

COMMITTEE MEETING REPORTS:
The Budget & Finance Committee meeting was canceled, and individual briefings were held with Board members. The Audit, Legal/Community Affairs, and Engineering and Information Technology Committees met.

GENERAL MANAGER'S REPORT:

- The California State Water Resources Control Board will recognize the District and other agencies who participated in voluntary wastewater monitoring during the COVID-19 pandemic.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 5:15 p.m. to a Board Workshop to be held virtually on Wednesday, November 10, 2021, at 4:00 p.m.

SUBMITTED:

_____
REGINA McEVOY
BOARD CLERK

ATTEST:

_____
MANNY FERNANDEZ
SECRETARY

APPROVED:

_____
PAT KITE
PRESIDENT

Adopted this 13th day of December 2021

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
November 10, 2021

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the special meeting to order at 4:00 p.m.

ROLL CALL

PRESENT: Pat Kite, President
Anjali Lathi, Vice President
Manny Fernandez, Secretary
Jennifer Toy, Director
Tom Handley, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Curtis Bosick, Enhanced Treatment and Site Upgrade Assistant Program Manager
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Karen Burks, Burks Toma Architects
Nancy Malone, Siegel & Strain Architects
Michael Hayden, Siegel & Strain Architects
Marc Solomon, Hazen and Sawyer

PUBLIC COMMENT

There was no public comment.

BOARD WORKSHOP

General Manager Eldredge presented an update on the Campus Building design.

ADJOURNMENT:

The special meeting was adjourned at approximately 5:20 p.m. to a Special Meeting Closed Session to be held Thursday, November 11, 2021, at 4:00 p.m.

SUBMITTED:

_____
REGINA McEVOY
BOARD CLERK

ATTEST:

_____
MANNY FERNANDEZ
SECRETARY

APPROVED:

_____
PAT KITE
PRESIDENT

Adopted this 13th day of December, 2021

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
November 11, 2021

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the special meeting to order at 4:00 p.m.

ROLL CALL

PRESENT: Pat Kite, President
Anjali Lathi, Vice President
Manny Fernandez, Secretary
Jennifer Toy, Director
Tom Handley, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Gene Boucher, Human Resources Manager
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

PUBLIC COMMENT

There was no public comment.

CLOSED SESSION

The Union Sanitary District Board of Directors adjourned to closed session for the following:

Conference with LABOR NEGOTIATORS
(Pursuant to Government Code Section 54957.6)

Agency designated representatives:
Paul Eldredge
Gene Boucher
Employee Organization:
Service Employees International Union, Local 1021 (SEIU)

There was no reportable action.

ADJOURNMENT:

The special meeting was adjourned at approximately 5:00 p.m. to a Special Board Meeting to be held Monday, November 15, 2021, at 1:30 p.m.

SUBMITTED:

_____
REGINA McEVOY
BOARD CLERK

ATTEST:

_____
MANNY FERNANDEZ
SECRETARY

APPROVED:

_____
PAT KITE
PRESIDENT

Adopted this 13th day of December, 2021

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
November 15, 2021

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the special meeting to order at 1:30 p.m.

ROLL CALL

PRESENT: Pat Kite, President
Anjali Lathi, Vice President
Manny Fernandez, Secretary
Tom Handley, Director

ABSENT: Jennifer Toy, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

PUBLIC COMMENT

There was no public comment.

CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE USE OF TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361

District Counsel Murphy stated AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. The District is continuing to hold teleconferenced meetings as allowed under AB 361 due to the ongoing public health threat of COVID-19. The proposed resolution includes findings required by AB 361 to

allow the District to hold teleconferenced meetings. Staff recommended the Board adopt a resolution authorizing the use of teleconference meetings in compliance with AB 361.

It was moved by Director Handley, seconded by Secretary Fernandez, to Adopt Resolution No. 2942 Authorizing the Use of Teleconference Meetings in Compliance with AB 361. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi
NOES: None
ABSTAIN: None
ABSENT: Toy

GENERAL MANAGER'S REPORT

General Manager Eldredge stated a Board Workshop will need to be scheduled in December; staff will send a poll seeking Board availability to select the date.

ADJOURNMENT:

The special meeting was adjourned at approximately 1:35 p.m. to the next Regular Board Meeting to be held Monday, December 13, 2021, at 4:00 p.m.

SUBMITTED:

_____
REGINA McEVOY
BOARD CLERK

ATTEST:

_____
MANNY FERNANDEZ
SECRETARY

APPROVED:

_____
PAT KITE
PRESIDENT

Adopted this 13th day of December, 2021

Union Sanitary District

Monthly Operations Report
October 2021

OCT

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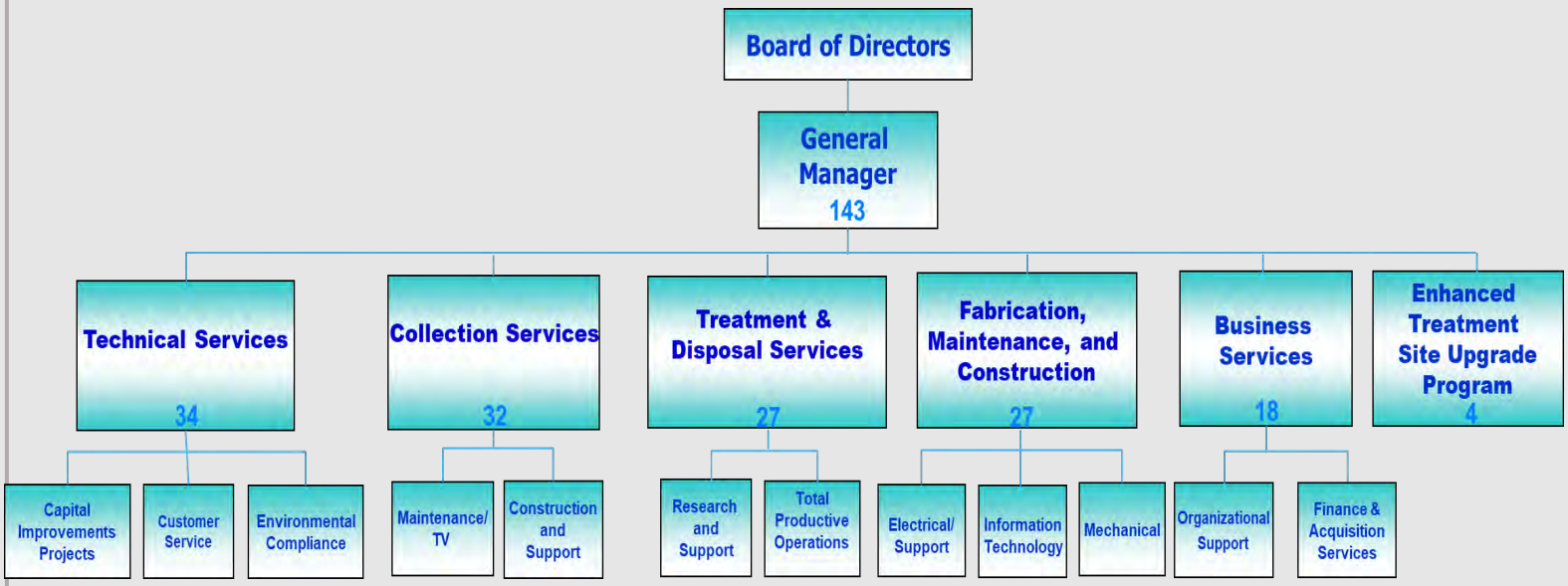
2021 MONTHLY OPERATIONS REPORT

The October 2021 Monthly Operations Reports highlights the District's performance in the following areas:

- **Organizational Overview**
- **Financial Reports**
  - Budget and Finance Report
  - Investment Portfolio
  - Portfolio Holdings by Asset Class and by Maturity Range
- **Customer Relations**
  - Odor Investigations and Response
  - Service Request and Response
  - Communication and Outreach
- **Plant Operations**
- **Maintenance Report**
  - Collection System
  - Plant and Pump Stations
  - Information Technology
- **Capital Improvement Projects (CIP) Report**
  - Current Construction Projects
  - Studies and Designs
- **Permitting and Inspections**
- **Staffing and Personnel**

Organizational Overview

Union Sanitary District operates a 33-acre wastewater treatment facility in Union City and provides collection, treatment, and disposal services to a total population of over 356,000 in Fremont, Newark and Union City, California. The District maintains over 839 miles of underground pipeline in its service area.



Executive Team		
Paul Eldredge	General Manager/District Engineer	Oversees District operations and liaison to the Board of Directors
Mark Carlson	Business Services/CFO	Includes Finance, Purchasing, Human Resources, and Safety
Jose Rodrigues	Collection Services	Maintains, and repairs the sewer lines and manholes throughout the service area
Sami Ghossain	Technical Services	Permits and inspections, pretreatment program, and capital improvements
Armando Lopez	Treatment and Disposal Services	Operates the treatment plant, process and analyze wastewater samples
Robert Simonich	Fabrication, Maintenance, and Construction	Information technology, equipment installation, service, repair for the plant and pump stations

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Financial Report

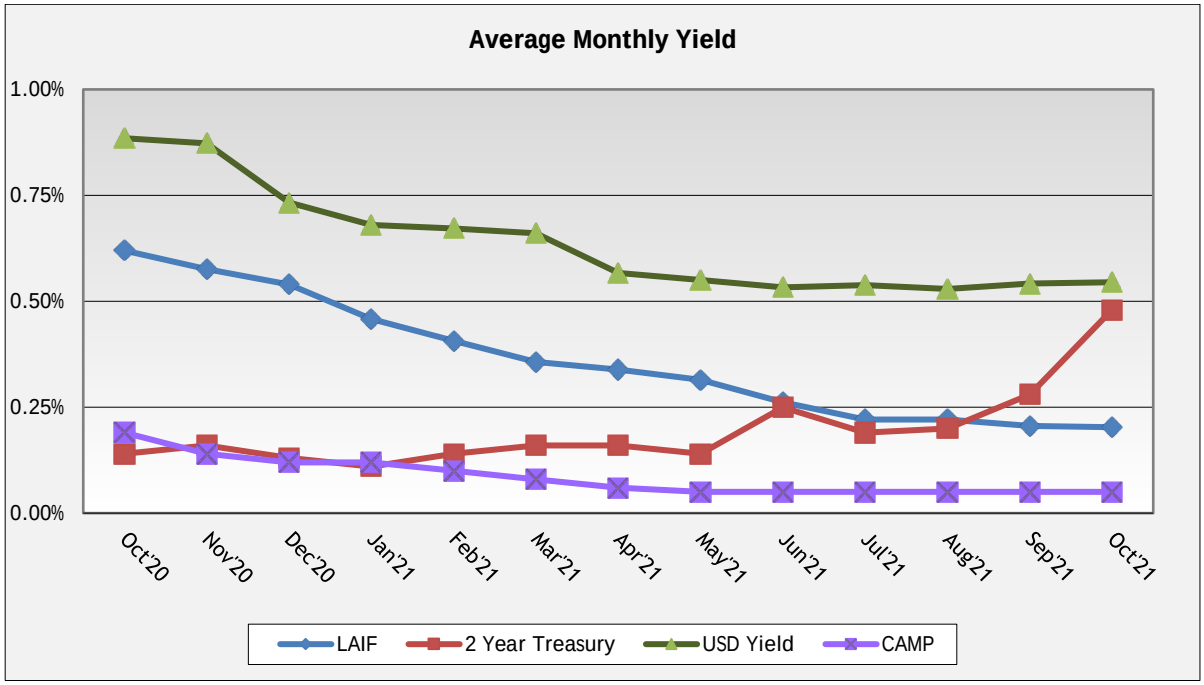
2021 MONTHLY OPERATIONS REPORT

Total Revenues and Expenditures

FY 2022	Year-to-date as of 10/31/21		33% of year elapsed	Audited Last Year Actuals 6/30/21
Revenues	**Budget**	**Actual**	**% of Budget Rec'd**	
Capacity Fees	$ 4,949,820	$ 2,817,086	57%	$ 9,358,209
Sewer Service Charges	74,716,000	831,712	1%	62,142,806
Operating (Includes work groups and fund 85)	1,260,900	360,742	29%	1,315,019
Interest	1,085,000	295,943	27%	1,438,294
Misc. (Annex fees, forfeited deposits)	50,000	1,538	3%	17,720
Subtotal Revenues	$ 82,061,720	$ 4,307,021	5%	$ 74,272,049
Bond Proceeds	110,000,000	110,626,705	100.6%	-
Total Revenues + Bond Proceeds	**$ 192,061,720**	**$ 114,933,726**	**60%**	**$ 74,272,049**

Expenses	**Budget**	**Actual**	**% of Budget Used**	**Last Year Actuals**
Capital Improvement Program:				
Capacity Proj.	$ 14,949,000	$ 2,988,953	20%	$ 21,520,168
Renewal & Repl. Proj.	28,240,200	3,917,816	14%	11,598,759
Operating (includes fund 85)	46,905,403	13,943,172	30%	45,515,755
Special Projects	3,960,104	104,887	3%	714,462
Retiree Medical (ADC)	1,421,401	1,032,897	73%	133,279
115 Pension Trust	3,000,000	-	0%	-
Vehicle & Equipment	125,000	-	0%	144,181
Information Systems	940,000	89,843	10%	502,358
Plant & Pump Stat. R&R	400,000	195,210	49%	162,400
Emerg. Fund	-	-	0%	
Cty Fee for SSC Admin.	115,000	-	0%	111,142
Debt Servicing:				
SRF Loans	-	-		
Bonds	12,019,092	4,336,534	36%	4,287,915
WIFIA	-	-	0%	100,000
Total Expenses	**$ 112,075,200**	**$ 26,609,313**	**24%**	**$ 84,790,419**
Total Revenue & Proceeds less Expenses	***$ 79,986,520***	***$ 88,324,413***		***(10,518,370)***

Performance Measures for the USD Investment Portfolio



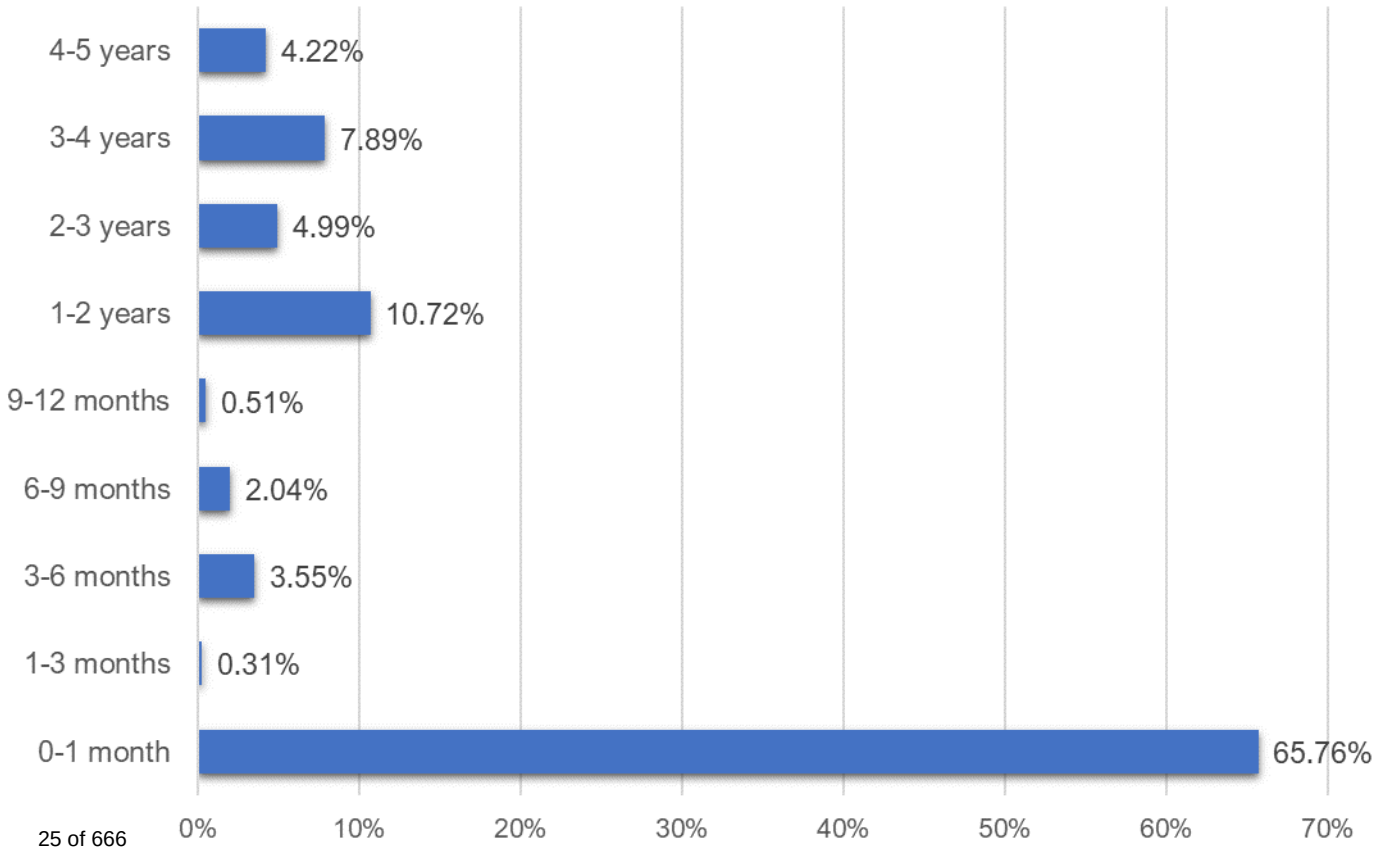
	Jun'21	Jul'21	Aug'21	Sep'21	Oct'21
LAIF	0.26%	0.22%	0.22%	0.21%	0.20%
2 Year Treasury	0.25%	0.19%	0.20%	0.28%	0.48%
USD Yield	0.53%	0.54%	0.53%	0.54%	0.55%
CAMP	0.05%	0.05%	0.05%	0.05%	0.05%

LAIF: Local Agency Investment Fund Yield
2 Year Treasury: Yield for investing in 2-Year U.S. Treasury security
USD Yield: Summarizes USD portfolio's yield
CAMP: California Asset Management Program Yield

Portfolio Holdings by Asset Class and by Maturity Range

Portfolio Holdings Distribution by Asset Class

Portfolio Holdings Distribution by Maturity Range



Union Sanitary District Odor Map and Report

During the recording period between October 1, 2021, through October 31, 2021, there were 2 odor related service request(s) received by the District.

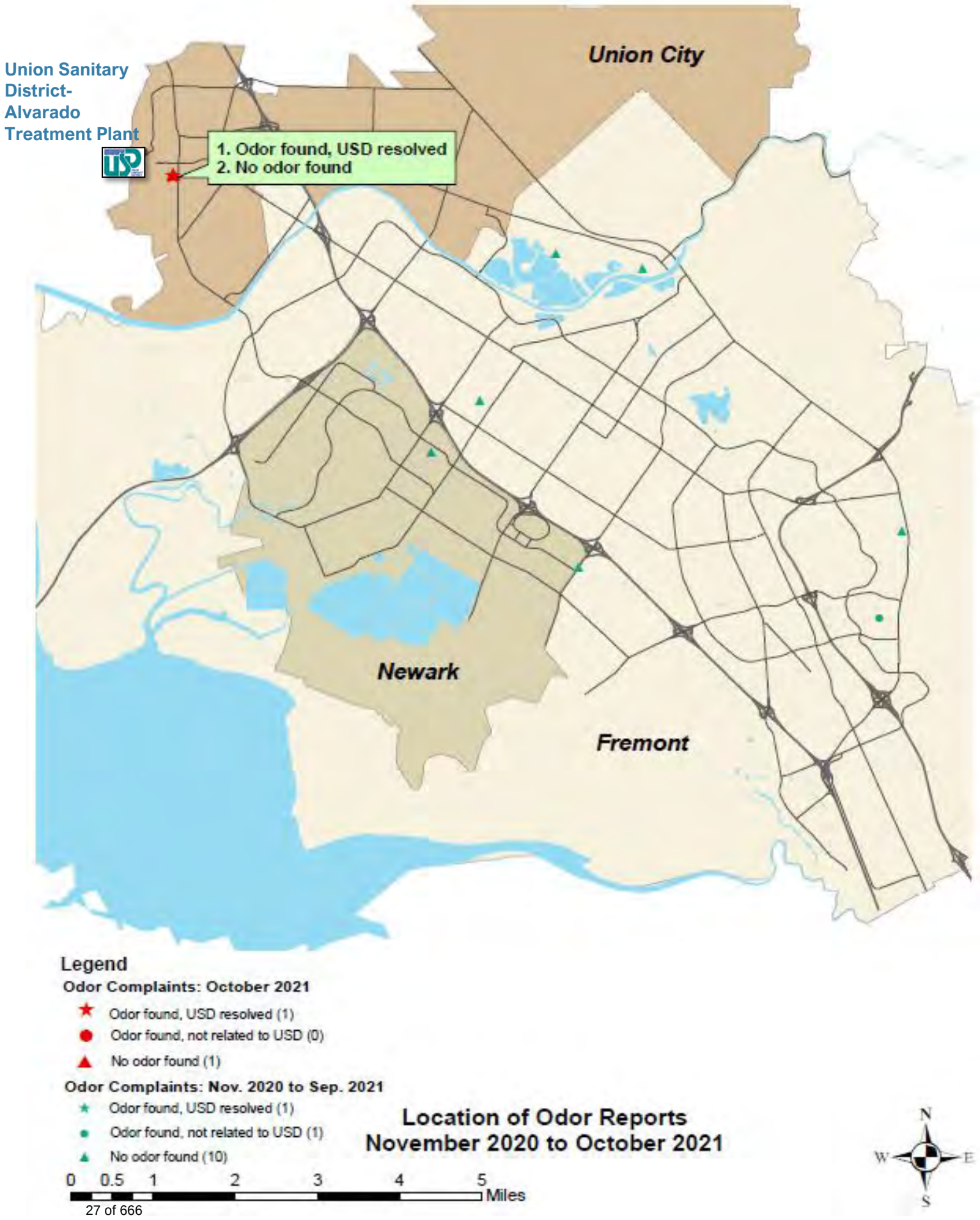
City	Union City		
District Related:	Odor found, USD resolved	**Date/Time:**	10/8/2021 20:19
Location:	Mackinaw Street	**Reported by:**	Sam Dua
Weather/Temp:	Partly Cloudy / 57°F	**Wind:**	West / 6mph

Response and Follow-up: USD staff responded to report of an odor in a residential neighborhood. Upon arrival, no odor was initially found. USD staff continued to inspect the area and nearby USD structures. All USD structures were found to be flowing normally. A very faint odor smell was found with incoming wind from the West. The responding trouble call inspector notified USD plant staff of findings. An on-site investigation was conducted and no odor was detected at the plant. During the time of the initial report the tide level was recorded as low. The odor control system was working properly. No follow-up action was recommended.

City	Union City		
District Related:	No odor found	**Date/Time:**	10/9/2021 9:40
Location:	Mackinaw Street	**Reported by:**	Sam Dua
Weather/Temp:	Clear / 58°F	**Wind:**	West / 4.6mph

Response and Follow-up: USD staff responded to a second odor report from the caller at his residence. The customer did not give a description of the odor but repeated that they believed the odor was coming from the plant. USD staff was dispatched to the location and no odor was found. An on-site investigation was conducted and no odor was detected at the plant. The odor control system was working properly. Scrubber rounds were completed that morning and the piian system was functioning. During the time of the initial report the tide level was recorded as low.

Union Sanitary District Odor Map and Report



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Customer Relations

2021
MONTHLY OPERATIONS REPORT

Customer Service Response

Front Desk Trouble Calls

Service calls that require immediate attention to support customer needs. Dispatched from the Front Desk during business hours.

Total Calls	Fremont	Newark	Union City	Total
Oct-21	6	1	4	**11**
Sep-21	17	2	1	**20**
Aug-21	9	1	1	**11**
Jul-21	9	4	4	**17**
Jun-21	13	2	2	**17**
May-21	12	2	1	**15**
			6 Month Total	**91**
Oct-20	5	1	6	**12**

Communication and Outreach

Includes participation in local events, social media communication, plant tours, and school outreach events.

11 POSTS

0 EVENTS

0 PLANT TOURS

6 SCHOOL EVENTS

Social Media Posts:

- IT Analyst recruitment
- ETSU Description and video link
- Haller's/Fremont PD Drug Take-Back (two posts)
- Imagine a Day Without Water
- Engineering Technician recruitment
- Collection Services Coach recruitment
- Halloween "Fear the Fog" post share
- Notice Inviting Bids: Standby Power Generation System Upgrade Project
- As-needed Receptionist recruitment
- Collection System Worker recruitment

Events:

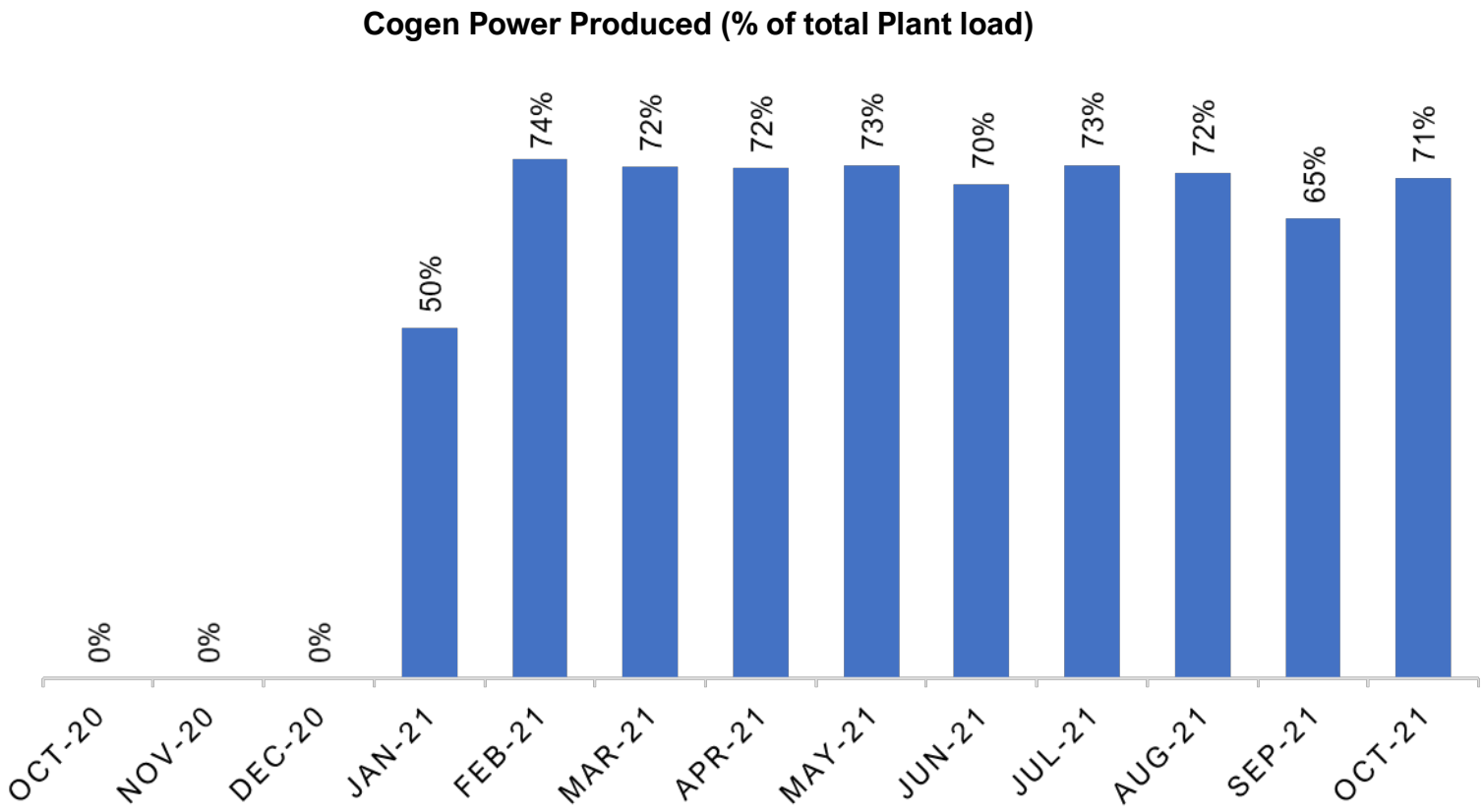
- None

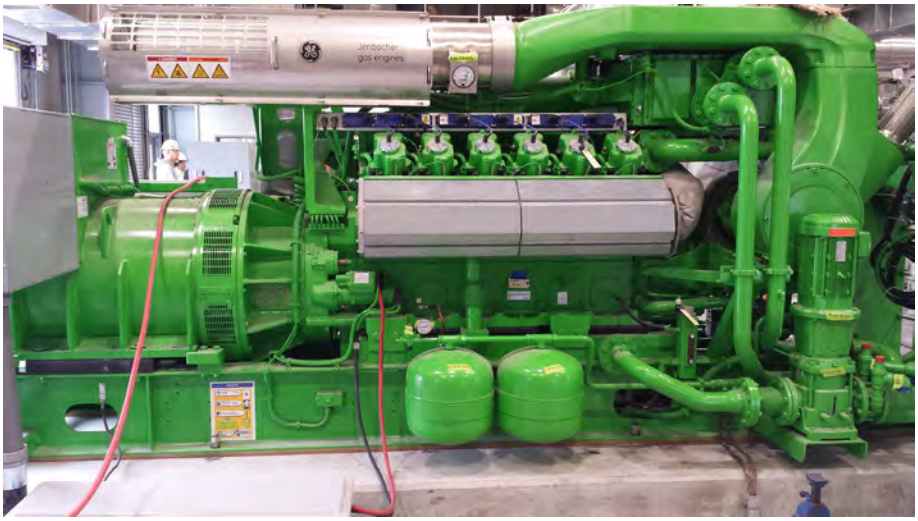
Other Activities:

- None

Cogeneration Engines at USD's Wastewater Treatment Plant

The chart below shows the percentage of Plant power usage generated by the District's cogeneration (cogen) engines monthly. The engines use biogas produced by the wastewater treatment process to generate power for the District's treatment plant and lower energy costs.

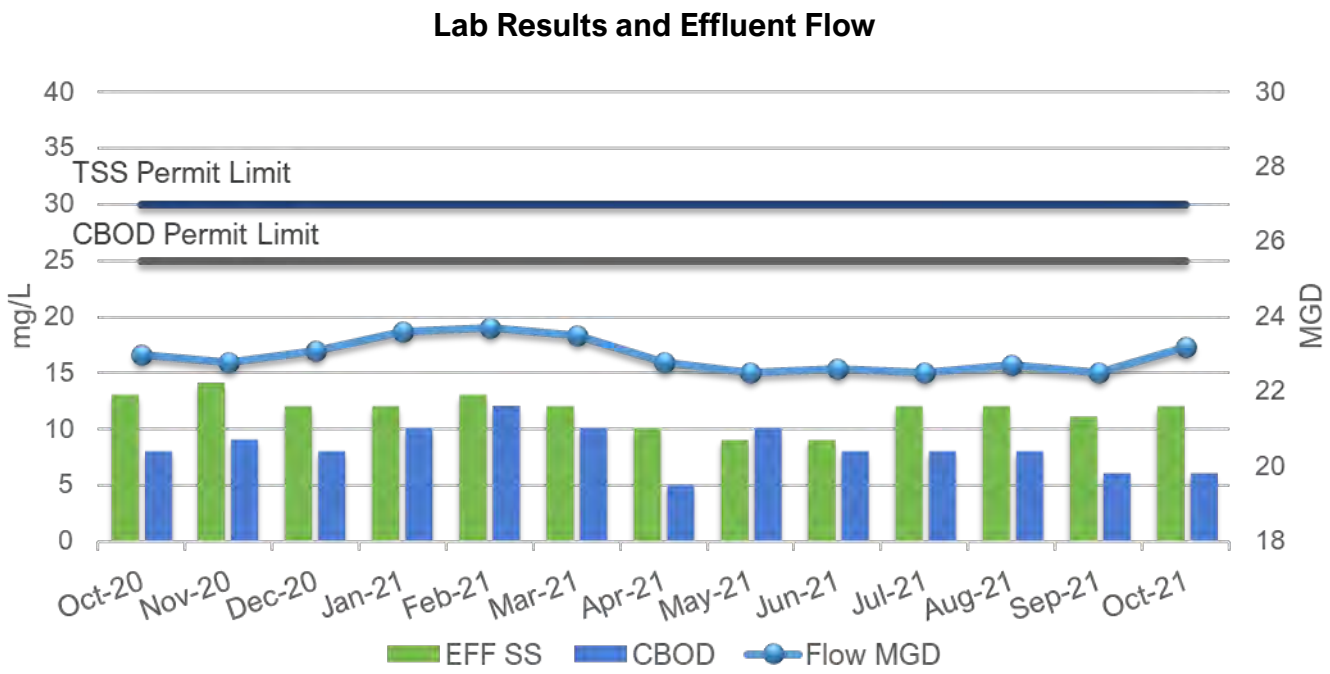




Side view of one cogeneration engine

Lab Monitoring Results

USD's laboratory staff process over 6,200 samples and perform about 17,000 analyses every year to ensure discharges from the plant meet necessary standards.



EFF SS: Effluent Suspended Solids **CBOD**: Carbonaceous Biochemical Oxygen Demand **MGD**: Million Gallons per Day

USD's Final Effluent Monthly Monitoring Results				
Parameter	**Permit Limit**	**Aug-21**	**Sep-21**	**Oct-21**
Copper, µg/l	78	4.1	3.9	5.0
Mercury, µg/l	0.066	0.0021	0.0021	0.0032
Cyanide, µg/l	42	E 1.3	E 1.5	ND 3
Ammonia- N, mg/L (Range)	130	42 - 47.4	41.6 - 44.7	44 - 52.7
Fecal Coliform, MPN/100ml (Range)				
• 5-Day Geometric Mean	500	38 - 64	22 - 32	53 - 89
• 11-Sample 90th Percentile	1100	155 - 155	72 - 155	228 - 249
Enterococci				
• Monthly Geometric Mean	240	13.2	10	25.6

E = Estimated value, concentration outside calibration range. For SIP, E = DNQ, estimated concentration.

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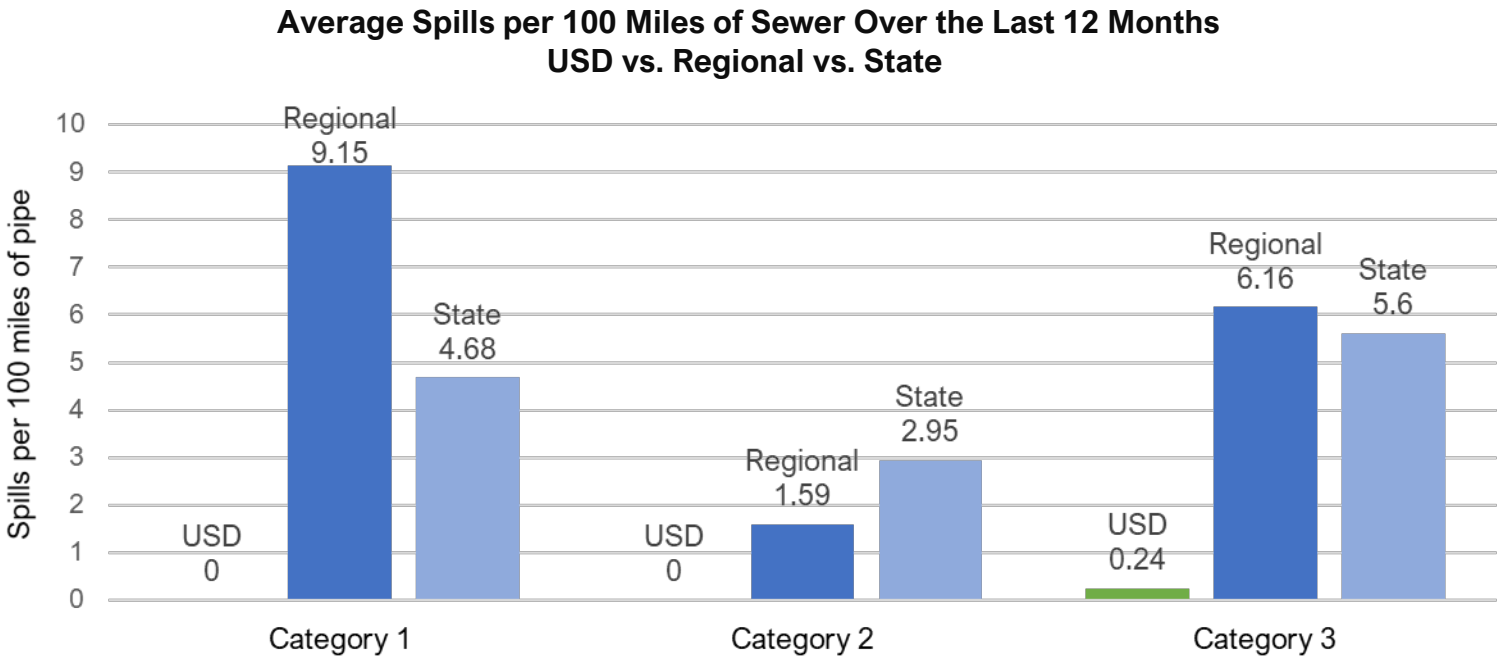
Maintenance Report

2021
MONTHLY OPERATIONS REPORT

Collection System Maintenance Work Completed

The Collection Services Workgroup maintains over 839 miles of gravity sewer through cleaning and televised inspection. They also service 63 District vehicles and maintain 3 buildings. Maintenance of equipment is completed by staff through sewer line repairs and work orders.

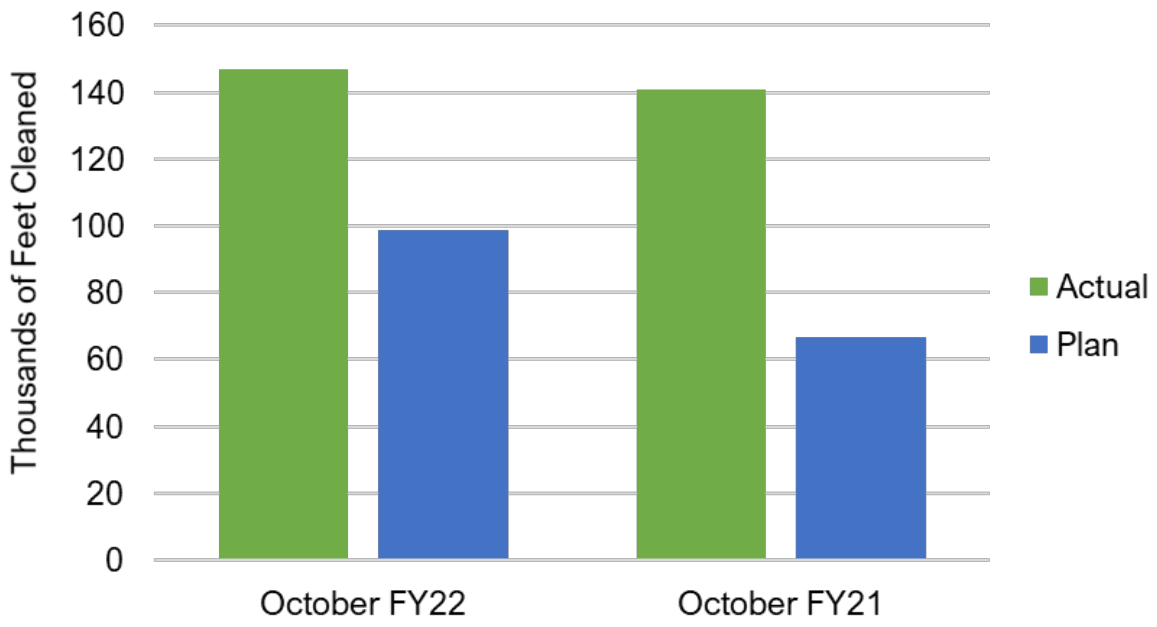


Definition of Spill Categories

- Category 1: 1,000 gallons or more. Discharges to surface water, not fully captured.
- Category 2: 1,000 gallons or more. Does not reach surface water, not fully captured.
- Category 3: 1,000 gallons or less. Does not reach surface water, fully captured.

	This Month	Fiscal Year to Date	Historical Monthly Average
Sewer Line Repairs- # of Open Trench	1	5	2
Sewer Line Repairs- # of Trenchless	25	79	14
Work Orders Completed on Vehicles and Buildings	228	714	171

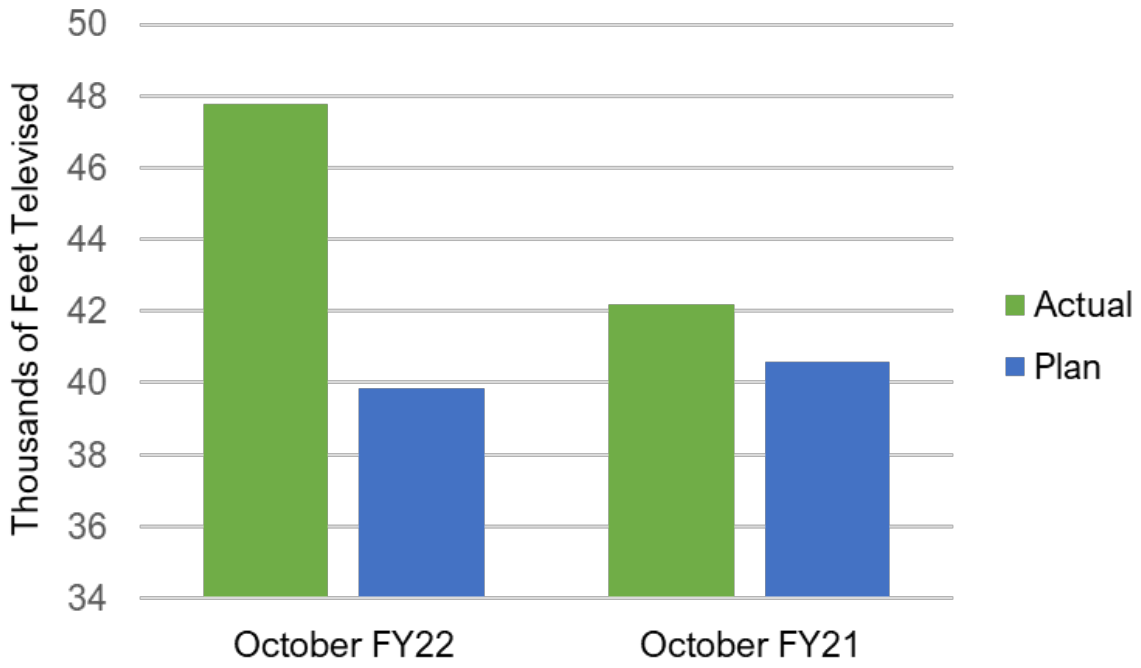
Sewer Line Cleaning



Cleaning Cost per Foot=$0.92

Description	Aug-21 Footage	Sept-21 Footage	FY22 Q1 Footage	Oct-21 Footage	FY22 Footage	Historical FY21 Footage	FY22 Goal	% Completed to Plan
84 Month Hydro-Jet Clean	24,994	42,837	145,468	40,241	185,709	537,616	634,499	29.3%
Selective Line Cleaning	37,871	8,333	49,758	2,083	51,841	200,764	193,168	26.8%
Special Condition Clean (not in total)	-	1,417	3,108	2,362	5,470	23,622	24,124	22.7%
Root Control/Chemical Clean	8,463	44,440	58,217	104,242	162,459	338,555	354,820	45.8%
Totals	**71,328**	**95,610**	**253,443**	**146,566**	**400,009**	**1,081,602**	**1,182,487**	**33.8%**

Sewer Line Inspection and Televising

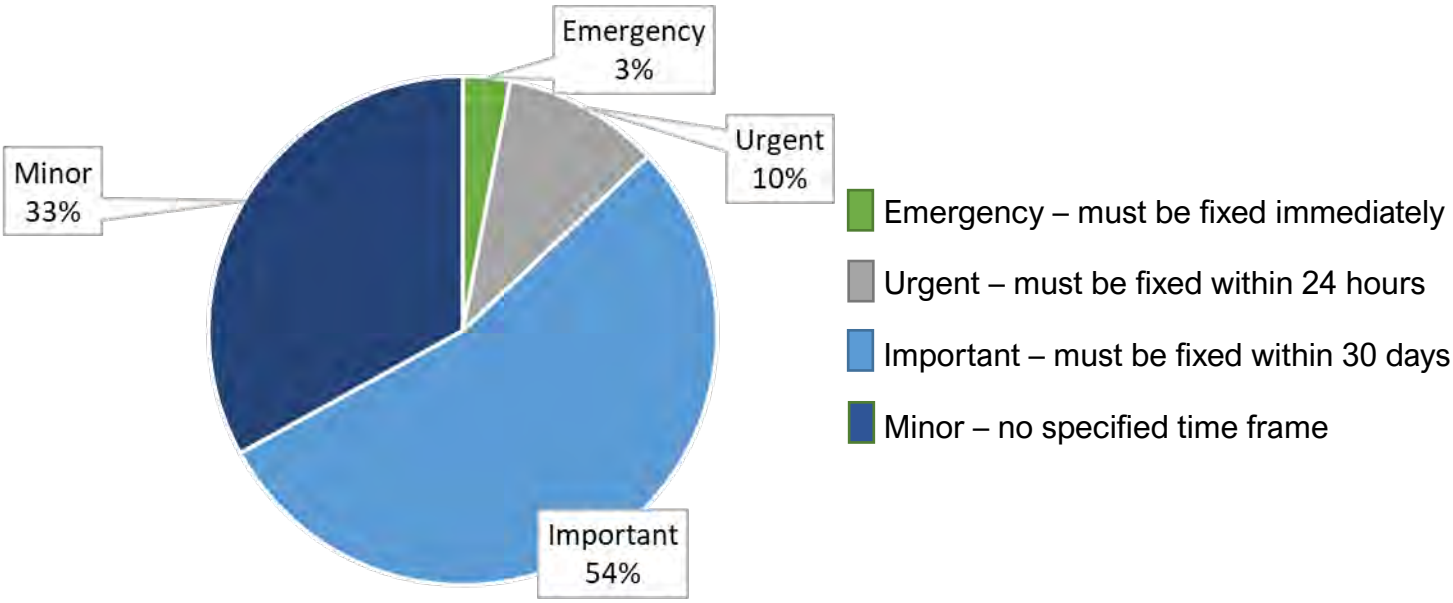


Televising Cost per Footage=$1.93

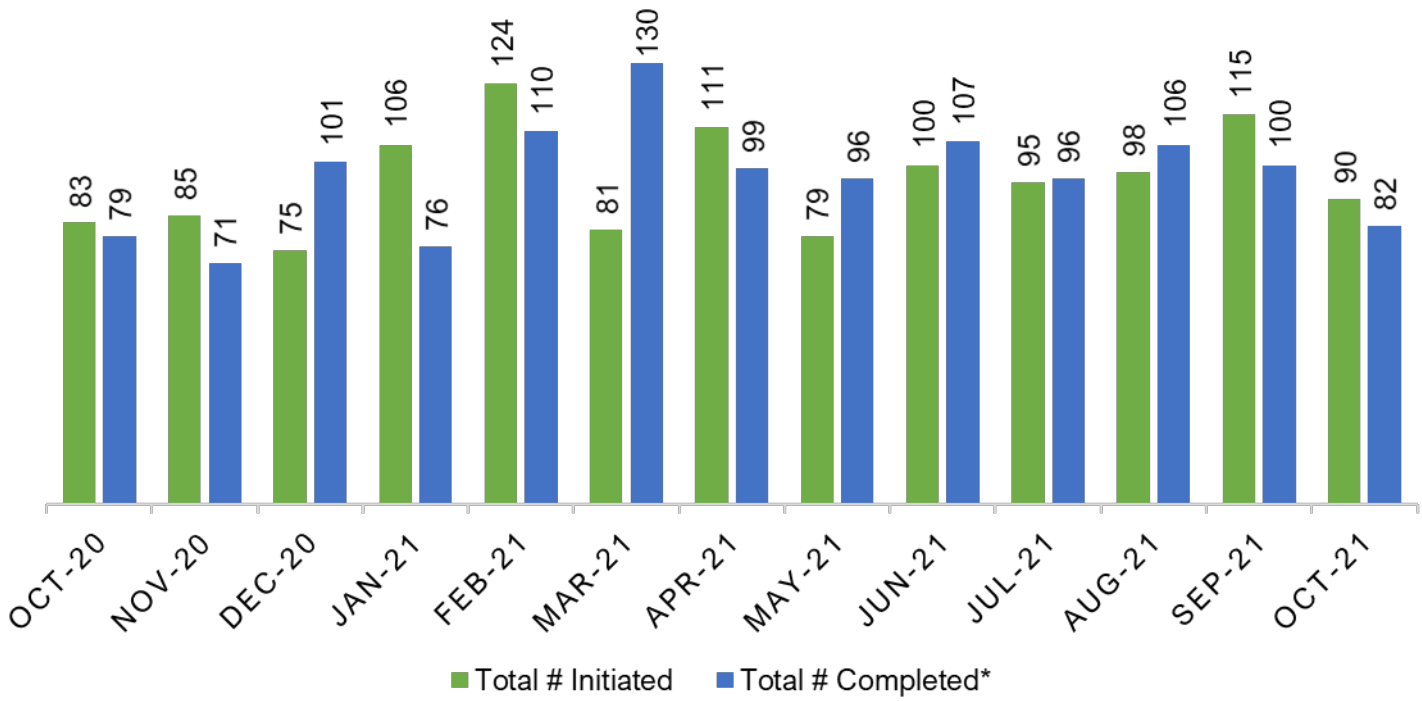
Description	Aug-21 Footage	Sept-21 Footage	FY 22 Q1 Footage	Oct-21 Footage	FY22 Footage/ Count	FY21 Footage/ Count	FY22 Goal	% Completed to Plan
84 Month TV Inspection	49,240	15,362	119,296	39,483	158,779	481,639	423,311	37.5%
84 Month Manhole Inspection Count	136	177	442	209	651	1,163	2,351	27.7%
Visual/Condition, Pre/Post Cnst TV (not in total)	-	182	182	2,085	2,267	1,793	17,347	13.1%
Visual Manhole Inspection Count (not in total)	49	65	138	32	170	329	-	-
New Development, CIP, Misc (not in total)	2,370	1,244	5,241	1,155	6,396	33,140	39,736	16.1%
QA/QC Line Condition		-	-	-	-	19,201	19,317	0.0%
QA/QC Root Control	6,031	21,278	27,309	8,268	35,577	22,270	35,482	100.3%
Totals	**55,271**	**36,640**	**146,605**	**47,751**	**194,356**	**523,110**	**478,110**	**40.7%**

Plant and Pump Stations Maintenance Work Completed

Equipment at our Plant and Pump/Lift stations is maintained by mechanics and other staff through completion of work orders. Staff completed 96.9% of preventative maintenance activities for the month in addition to the following shown below.



Work Orders Initiated and Completed

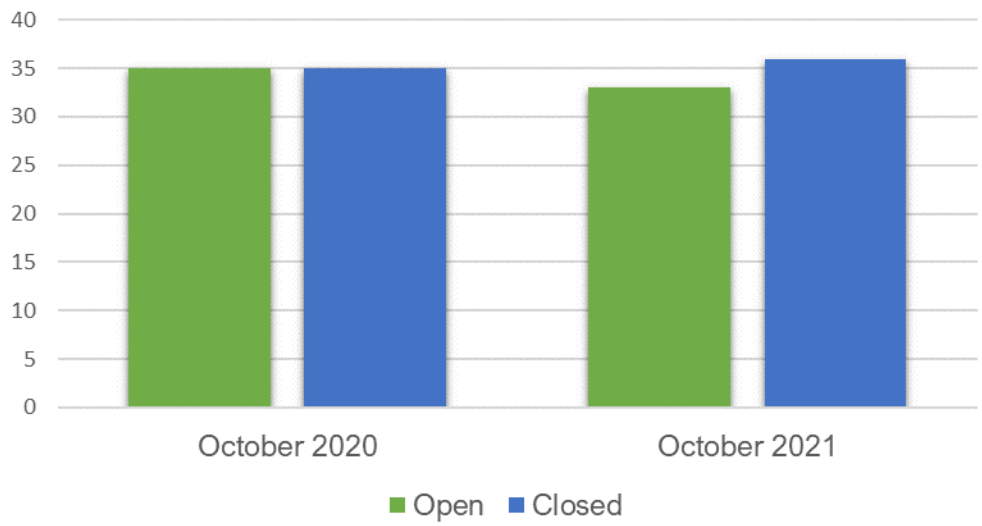


*The number of work orders completed in a month is dependent upon several factors including the availability of necessary parts and the amount of time required by staff to accomplish a given task.

Information Technology

USD's Information Technology (IT) staff install, upgrade, and maintain District computers and software systems. IT staff responsibilities include ongoing maintenance of systems critical to operation of our wastewater treatment plant and pump stations.

IT Help Desk Tickets



Managed and Hosted IT Asset Uptime

Asset Name	USD Managed or Hosted by Third Party	% Up time
USD Website	Hosted	100%
Email Server	Hosted	100%
Newark Pump Station	USD Managed	100%
Boyce Pump Station	USD Managed	99.96%
Irvington Pump Station	USD Managed	100%
SCADA	USD Managed	100%
Total Average of All USD Servers	USD Managed	99.96%

The majority of our IT network assets are maintained onsite by IT staff with an uptime target of 99.90%. Additional assets, such as the USD website, are hosted externally by a third party.

Capital Improvement Project (CIP) Activities

Our engineers manage and coordinate project activities including completion of studies, designing of future projects, and project management of construction work at our Plant, Pump Stations, gravity sewer network, and Force Mains.

Current CIP Projects – Budget and % complete

Current (FY22) CIP Projects	Budget ($1,000)	Spent to Date ($1,000)	Scheduled Completion	Completed Scope
1 - Aeration Blower No. 11 Project	$1,652	$255	12/21	38%
2 - Alvarado Influent Pump Station Improvements Project	$8,890	$5,590	10/21	80%
3 - Cathodic Protection System Improvements Project	$483	$218	1/22	47%
4 - Centrifuge Building Improvements Project	$688	$13	10/21	40%
5 - Emergency Outfall Improvements Project	$1,399	$444	1/22	40%
6 - FY21 Cast Iron/Pipe Lining Project	$307	$220	5/21	100%
7 - FY21 Gravity Sewer Rehabilitation/Replacement Project – Phase VII	$595	$496	10/21	100%
8 - Headworks Screens Replacement Project	$1,822	$1,741	7/21	98%
9 - Primary Digester No. 7 Project	$23,602	$21,935	12/21	93%
10 - Wet Weather Flow Management – Calcium Thiosulfate Chemical Feed System	$624	$570	6/21	90%

Digester #7 Project
Click here to see time lapse video

Design Phase – Budget and % of Completed Scope

Current (FY22) Design Phase	Budget ($1,000)	Spent to Date ($1,000)	Scheduled Completion	Completed Scope
1 - Cherry Street Pump Station Improvements Project	$72	$71	6/21	100%
2 - Force Main Corrosion Repairs Project Phase 3	$60	$14	12/21	75%
3 - Irvington Basin Reinforced Concrete Pipe Rehabilitation Project	$271	$162	10/21	95%
4 - Plant Miscellaneous Improvements Project	$185	$53	3/22	40%
5 - Pump Stations Chemical System Improvements Project	$738	$385	10/21	85%
6 - Standby Power Generation System Upgrade Project	$2,458	$2,247	1/21	95%
7 – Switchboard No. 3 and MCC No. 25 Replacement Project	$95	$0	7/22	2%
8 - WAS Thickener Replacement Project	$807	$801	6/21	100%

Study Phase – Budget and % of Completed Scope

Current (FY22) Study Phase	Budget ($1,000)	Spent to Date ($1,000)	Scheduled Completion	Completed Scope
1 – Cogeneration Replacement and Ventilation Study	$142	$0	7/22	5%
2 - Force Main Condition Assessment	$121	$32	10/22	60%
3 - Irvington Basin Masterplan Update	$378	$256	11/21	95%
4 - Odor Control Alternatives Study	$465	$465	12/20	99%
5 - Odor Control Pilot Study	$99	$99	12/21	99%
6 – Thermal Dryer Feasibility Study	$128	$0	7/22	2%

OCT Permitting and Inspections

2021 MONTHLY OPERATIONS REPORT

Sewer Permits Issued

Permits issued upon approved completed plans.

Month	Repairs	Mains	New Laterals *	Secondary Units	Restaurants	Other **	Total
Oct 2021	15	3	61	11	0	1	**91**
Sep 2021	25	1	49	6	0	4	**85**
Aug 2021	16	1	58	8	0	4	**87**

*New Laterals- New residential lateral connections
**Other- Non-residential construction (except restaurants)

Storm Water Inspections (City of Fremont)

Under contract with City of Fremont's Environmental Services Group, our inspectors conduct routine inspections and document enforcement actions.

Total Inspections		Total Monthly Enforcements						
Current Month	Fiscal Year to Date	Verbal Warning	Warning Letter	Notice of Violation	Admin Fine	Legal Action	Notice of Deficiency	**Total**
71	**305**	1	0	5	9	0	0	**15**

Pollution Prevention Inspections

Environmental Compliance conducts pollution prevention inspections at restaurants, car wash businesses, and other commercial facilities.

Total Inspections		Total Monthly Enforcements						
Current Month	Fiscal Year to Date	Verbal Warning	Warning Letter	Notice of Violation	Admin Fine	Legal Action	Notice of Deficiency	**Total**
37	**166**	6	0	0	0	0	0	**6**

Permitted Industrial Businesses

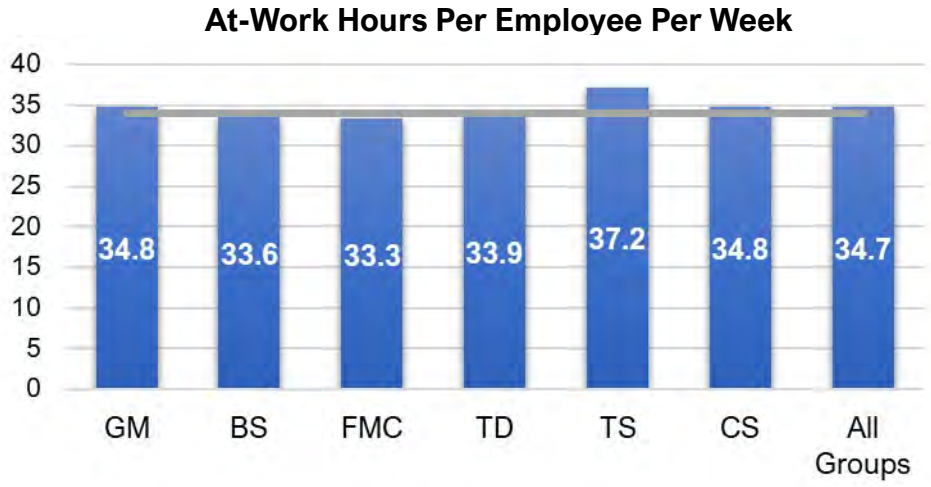
City	Industrial Permits
Fremont	59
Newark	17
Union City	12

Examples of Permitted Industrial Businesses:

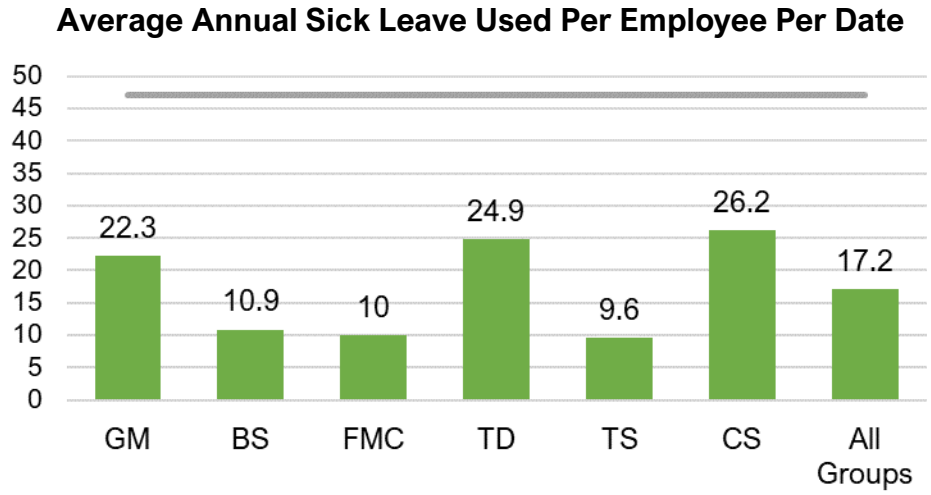
- Tesla
- Washington Hospital
- US Pipe
- Western Digital
- Lam Research

Hours Worked and Leave Time by Work Group

June 24, 2021 through October 27, 2021
Weeks to Date 18 out of 52 (34.62%)



Target is 34



Target is 47

Recruitments

Position	Position Posted	Status
Information Technology Analyst/Senior Information Technology Analyst	10/1/2021	Closed 10/31/2021. Finalist Interviews in progress.
Customer Service Team Engineering Technician I/II	10/25/2021	Closes 11/21/2021.
Collection Services Worker I	10/28/2021	Closes 11/21/2021.
Mechanic I/II	N/A	Useable list. Candidate to start 11/29/2021.
Collection Services Coach	10/26/2021	Closed 11/14/2021. Exam 11/29/2021.
Receptionist - As Needed	10/28/2021	Closed 11/14/2021. Exam 11/17/2021.
Technical Services Workgroup Manager	N/A	Internal Interim recruitment.
Instrument Technician/Electrician	N/A	Useable list. Candidate in finalist interviews.

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 8b

TITLE: **Fiscal Year 2022 First Quarter Managed Investment Portfolio Report *(This is an Information Item)***

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Work Group Manager, CFO

Recommendation
Information only.

Discussion
The attached report from PFM shows the District's investment positions for the 1st Quarter of Fiscal Year 2022 (ending Sept 30, 2021)

This reporting format is intended to supplement the existing Monthly Operations Report provided by Staff for the months of July, Aug and Sept of 2021 and includes the following sections, which will be presented in detail:

- Market Update
- Investment Performance Review
- Portfolio Transactions and Holdings
- Disclosures
- Glossary

Representatives from PFM and Staff will be available to answer questions.

Background
In October of 2018, the Board authorized the General Manager to sign the Portfolio Management Services Contract with PFM Asset Management LLC (PFM) for investment management services. The strategy behind this decision was to maximize investment returns to

the extent practicable, while maintaining compliance with all policy, legal and regulatory requirements for government agency investments. The provision of comprehensive portfolio reporting and current economic analyses were both deliverables in the contract negotiated with PFM.

Previous Board Action
None

Attachment:
Investment Performance Review for the Quarter Ended September 30, 2021.

UNION SANITARY DISTRICT

Investment Performance Review
For the Quarter Ended September 30, 2021

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager
Jeremy King, Key Account Manager
Rachael Miller, Client Consultant

PFM Asset Management LLC

44 Montgomery Street, 3rd Floor
San Francisco, CA 94104
415-982-5544

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

Agenda

- Market Update
- Account Summary
- Portfolio Review

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Market Update

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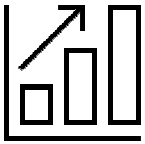
Current Market Themes

- COVID-19 continues to overshadow the economic and market landscape

- The U.S. economy is characterized by:
  - Continued recovery aided by supportive monetary policy
  - Potentially stagnating labor market growth
  - Heightened inflationary pressures

- Federal Reserve is contemplating the end of unprecedented support
  - Near-term tapering of asset purchases
  - Fed Funds Rate hike now seen possible in late 2022
  - Significant turnover of FOMC leadership



- Fixed income market reacting to changing market dynamics
  - Short-term yields anchored by Fed rate policy
  - Long-term yields rising due to inflationary pressures and tapering

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FOMC Acknowledges Economic Progress, Queues Up Taper

- With progress on vaccinations and strong policy support, ***indicators of economic activity and employment have continued to strengthen***. The sectors most adversely affected by the pandemic have improved in recent months, but the rise in COVID-19 cases has slowed their recovery.
- ***Inflation is elevated, largely reflecting transitory factors***. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
- The path of the economy ***continues to depend on the course of the virus.***

- The Committee ***decided to keep the target range for the federal funds rate at 0 to 1/4 percent*** and expects it will be appropriate to maintain this target range **until** labor market conditions have reached levels consistent with the Committee's assessments of ***maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time***.
- Last December, the Committee indicated it would continue to increase its holdings of Treasury … and of agency mortgage-backed securities…until substantial further progress has been made toward its maximum employment and price stability goals. Since then, the economy has made progress toward these goals. ***If progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted.***

Source: Federal Reserve.

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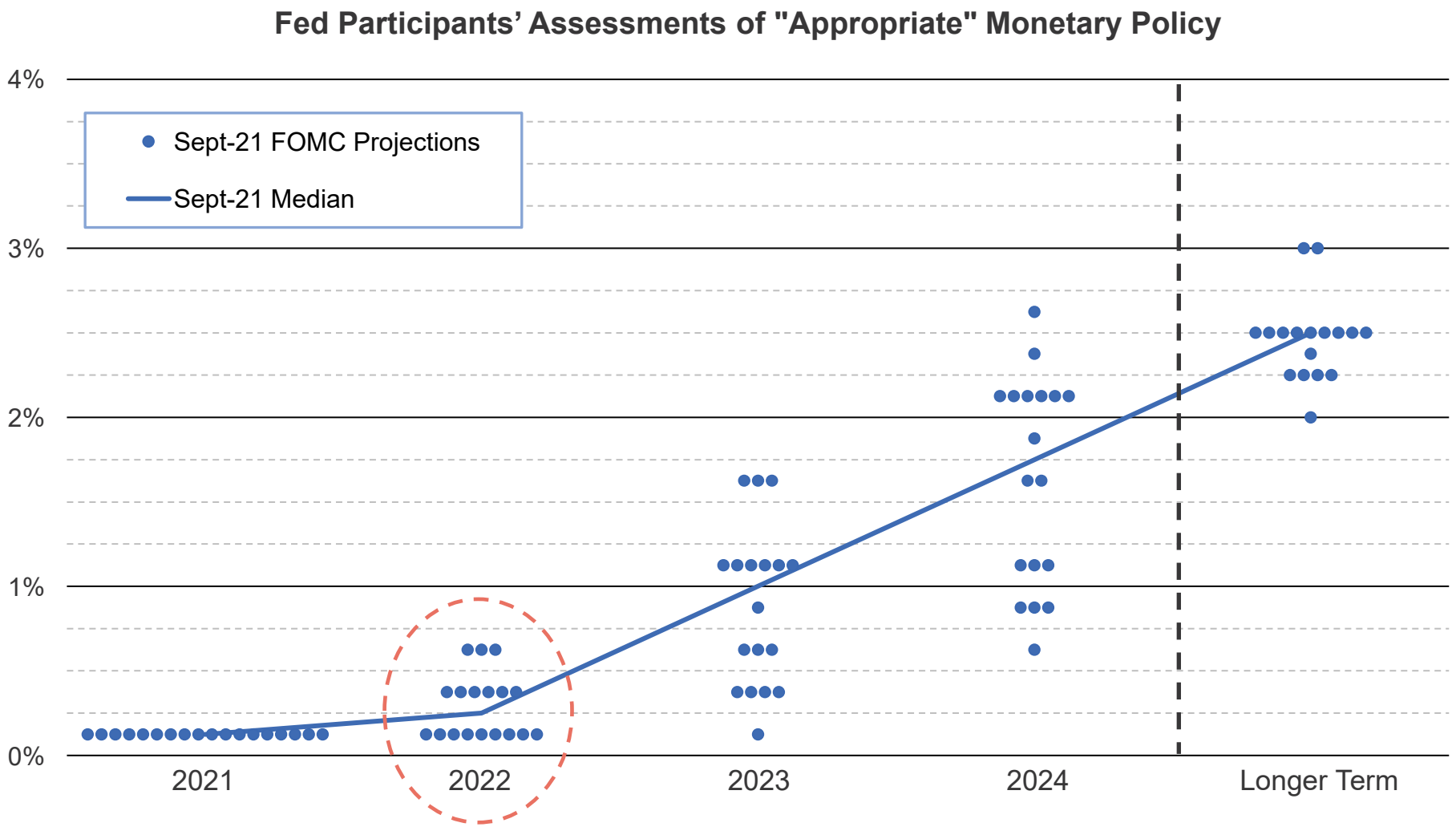
Fed's September "Dot Plot" Signals Rate Liftoff in 2022



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

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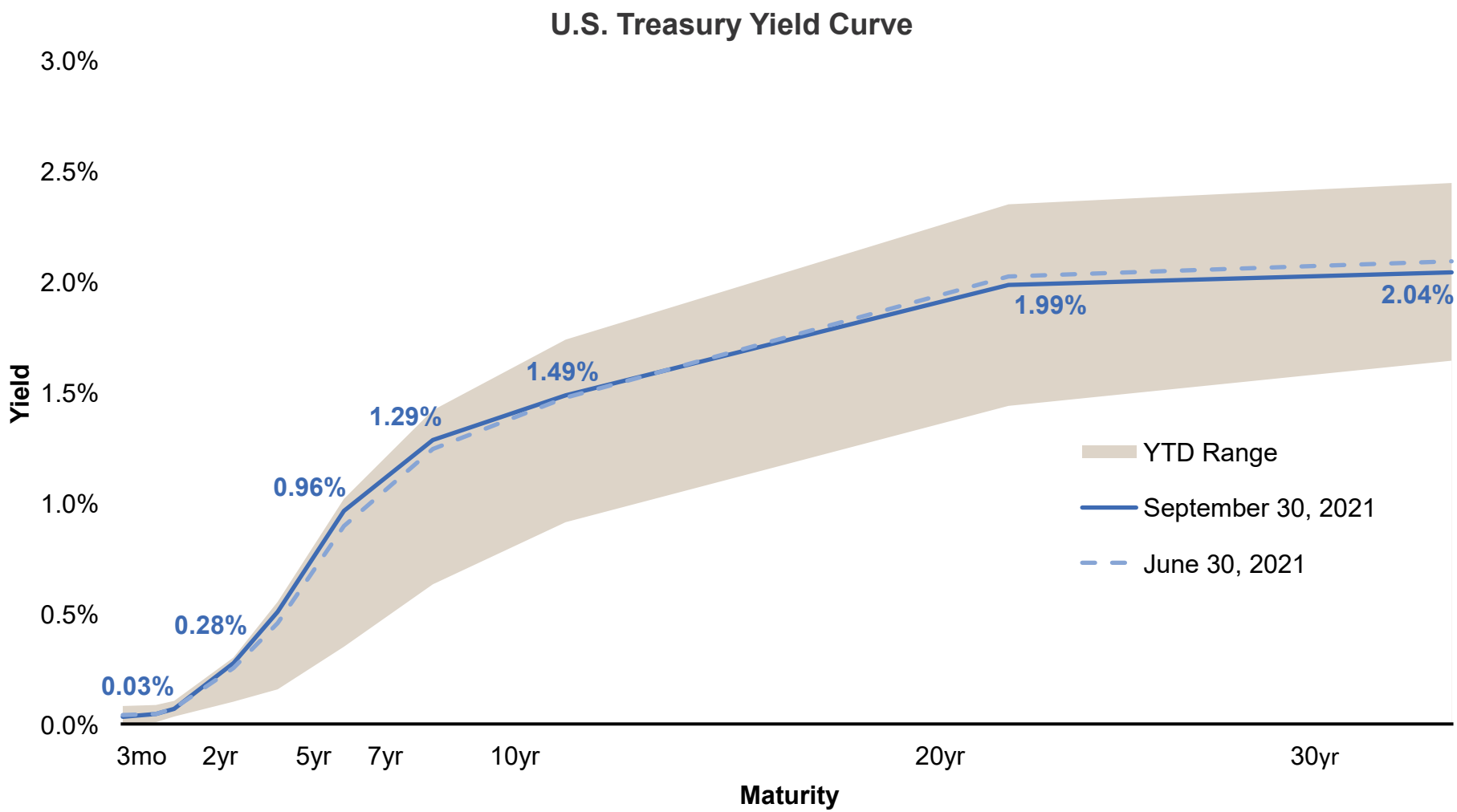
Despite Volatility, Yields Changed Little Quarter-Over-Quarter



Source: Bloomberg, as of 9/30/2021.

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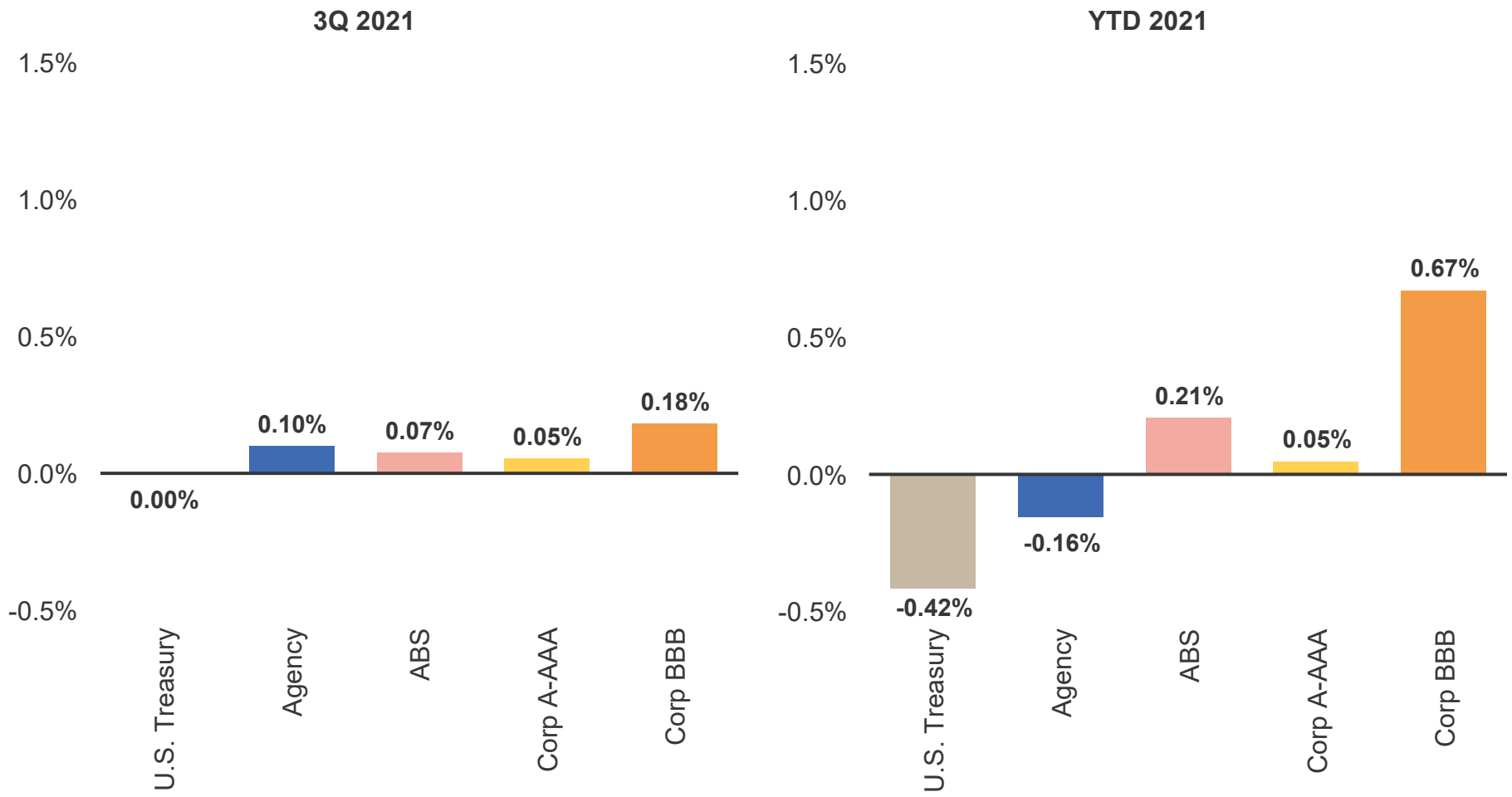
Credit Sectors Continue to Outperform

1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 9/30/2021.

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Account Summary

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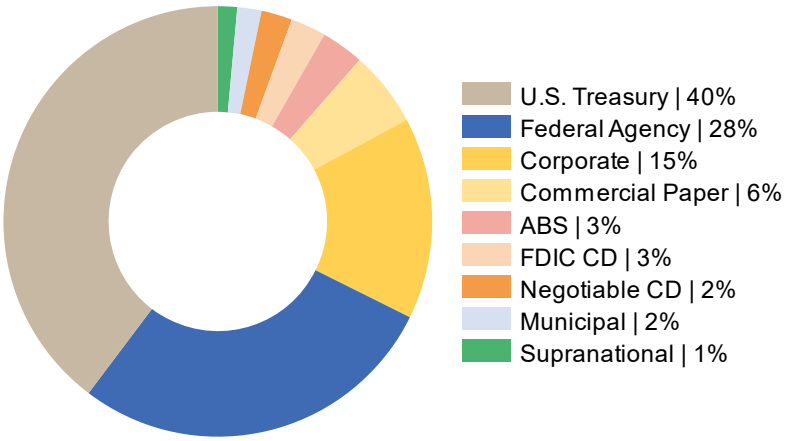
Consolidated Summary

Account Summary[1]

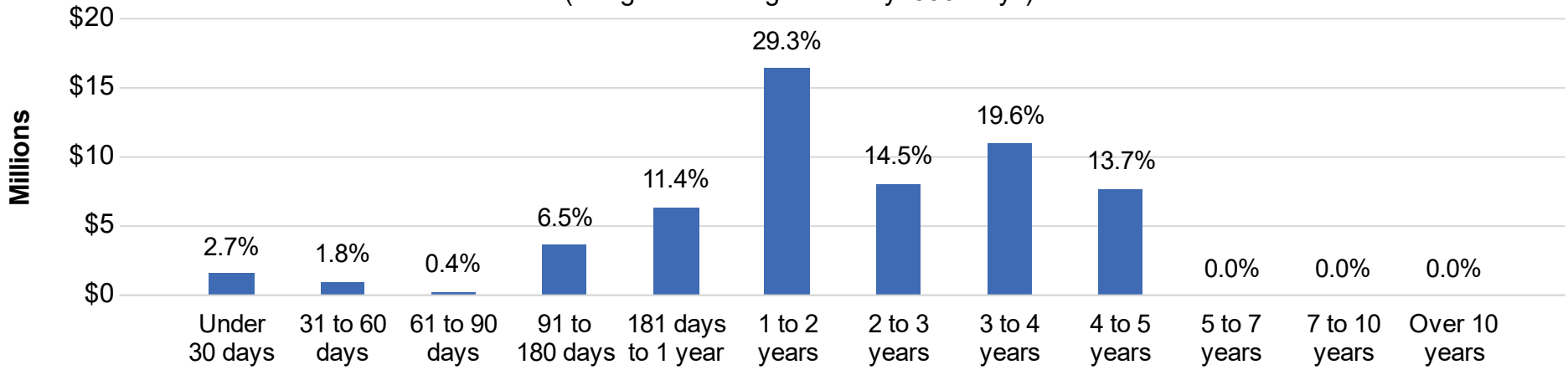
PFM Managed Account	$55,977,854
Total Program	**$55,977,854**

Sector Allocation



Maturity Distribution

(Weighted Average Maturity: 830 Days)



1. Market values exclude accrued interest, as of September 30, 2021.

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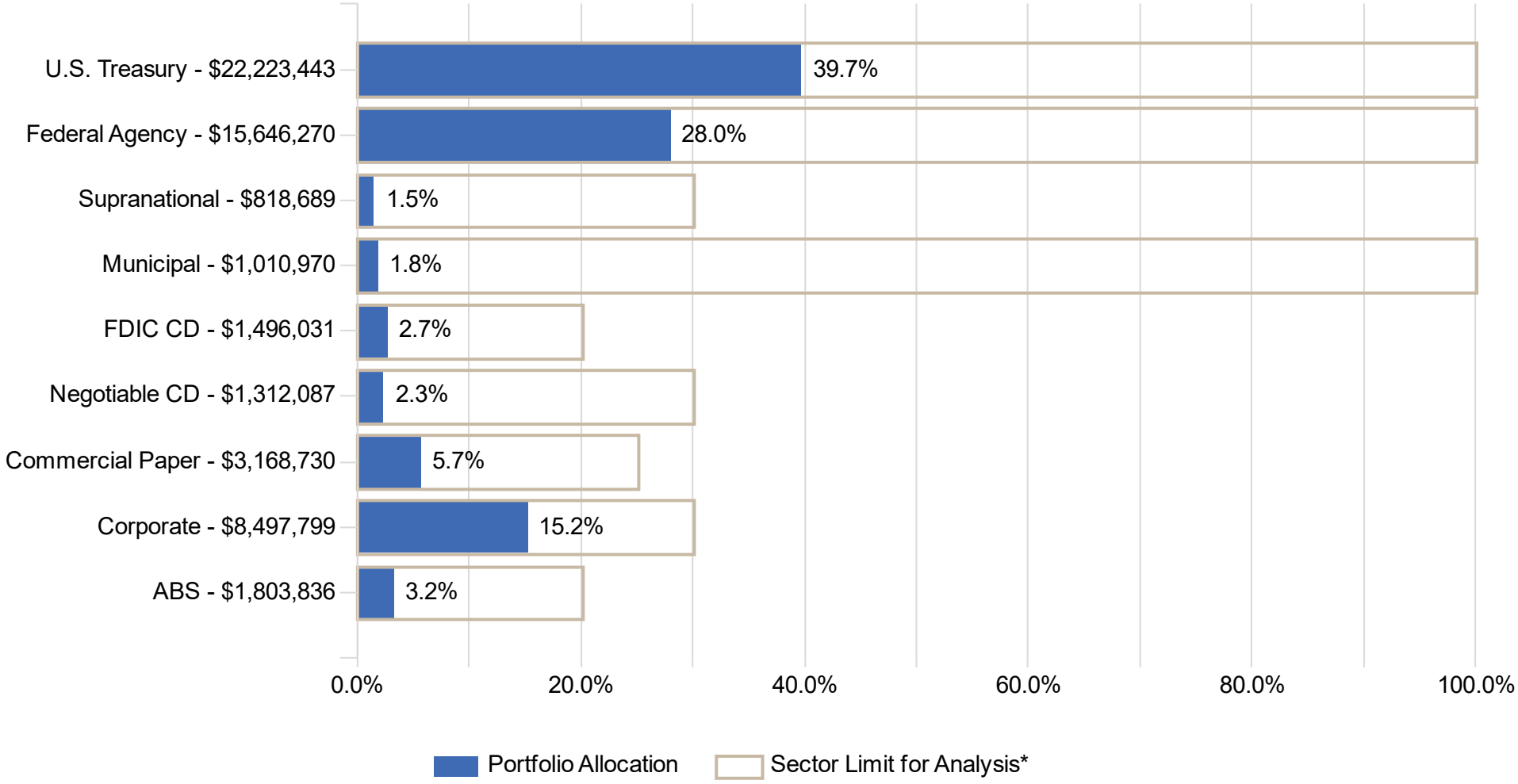
Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.
**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

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Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	**39.7%**	
UNITED STATES TREASURY	39.7%	AA / Aaa / AAA
Federal Agency	**28.0%**	
FANNIE MAE	13.9%	AA / Aaa / AAA
FEDERAL FARM CREDIT BANKS	2.9%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	4.2%	AA / Aaa / NR
FREDDIE MAC	6.9%	AA / Aaa / AAA
Supranational	**1.5%**	
INTER-AMERICAN DEVELOPMENT BANK	1.5%	AAA / Aaa / AAA
Municipal	**1.8%**	
STATE OF CALIFORNIA	1.8%	AA / Aa / AA
FDIC CD	**2.7%**	
AMERICAN EXPRESS CO	0.4%	NR / NR / NR
BELMONT SAVINGS BANK	0.4%	NR / NR / NR
BMW FINANCIAL SERVICES NA LLC	0.4%	NR / NR / NR
DISCOVER FINANCIAL SERVICES	0.4%	NR / NR / NR
STATE BANK OF INDIA	0.4%	NR / NR / NR
SYNCHRONY BANK	0.4%	NR / NR / NR
Negotiable CD	**2.3%**	
CREDIT SUISSE GROUP RK	0.8%	A / A / A
DNB ASA	0.8%	AA / Aa / NR
SUMITOMO MITSUI FINANCIAL GROUP INC	0.8%	A / Aa / A
Commercial Paper	**5.7%**	
COLLAT COMM PAPER V CO	2.9%	A / Aa / AA
LMA AMERICAS LLC	1.0%	A / Aa / A
MITSUBISHI UFJ FINANCIAL GROUP INC	1.8%	A / Aa / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	**15.2%**	
AMAZON.COM INC	1.2%	AA / A / AA
AMERICAN EXPRESS CO	1.8%	A / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / NR
APPLE INC	0.6%	AA / Aa / NR
BANK OF AMERICA CO	1.0%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.4%	A / A / NR
CITIGROUP INC	0.5%	BBB / A / A
EXXON MOBIL CORP	1.8%	AA / Aa / NR
GOLDMAN SACHS GROUP INC	0.7%	BBB / A / A
JP MORGAN CHASE & CO	1.4%	A / A / AA
MORGAN STANLEY	0.5%	BBB / A / A
PACCAR FINANCIAL CORP	1.1%	A / A / NR
TOYOTA MOTOR CORP	0.8%	A / A / A
TRUIST FIN CORP	1.0%	A / A / A
WAL-MART STORES INC	1.8%	AA / Aa / AA
ABS	**3.2%**	
CARMAX AUTO OWNER TRUST	0.8%	AAA / NR / AAA
DISCOVER FINANCIAL SERVICES	0.3%	AAA / Aaa / NR
HONDA AUTO RECEIVABLES	0.8%	NR / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.2%	AAA / NR / AAA
TOYOTA MOTOR CORP	1.1%	AAA / Aaa / NR
Total	**100.0%**	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

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Certificate of Compliance

During the reporting period for the quarter ended September 30, 2021, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

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Portfolio Review:
UNION SANITARY DISTRICT

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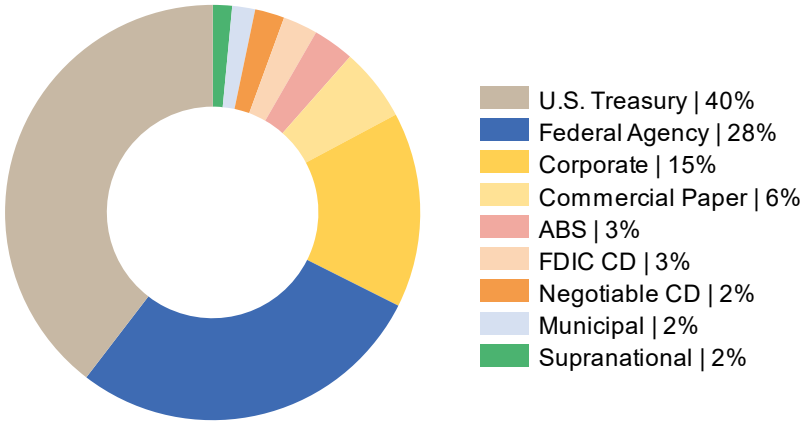
Portfolio Snapshot - UNION SANITARY DISTRICT[1]

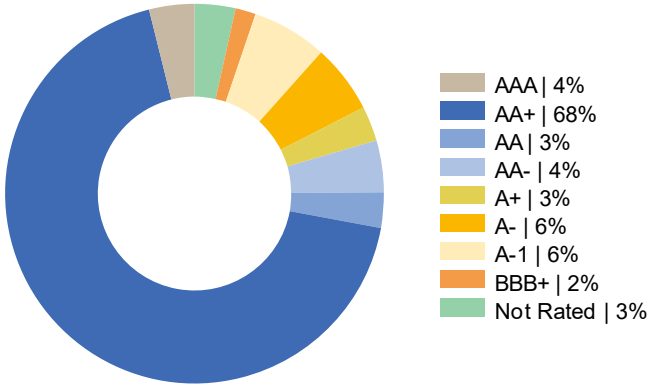
Portfolio Statistics

Total Market Value	$56,135,908.52
Portfolio Effective Duration	2.09 years
Benchmark Effective Duration	2.13 years
Yield At Cost	1.32%
Yield At Market	0.48%
Portfolio Credit Quality	AA

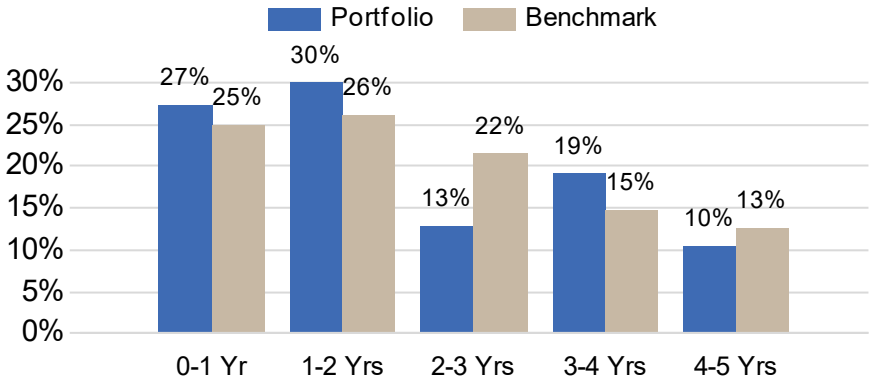
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. *The portfolio's benchmark is the ICE BofAML 0-5 Year U.S. Treasury Index. Source: Bloomberg.*
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

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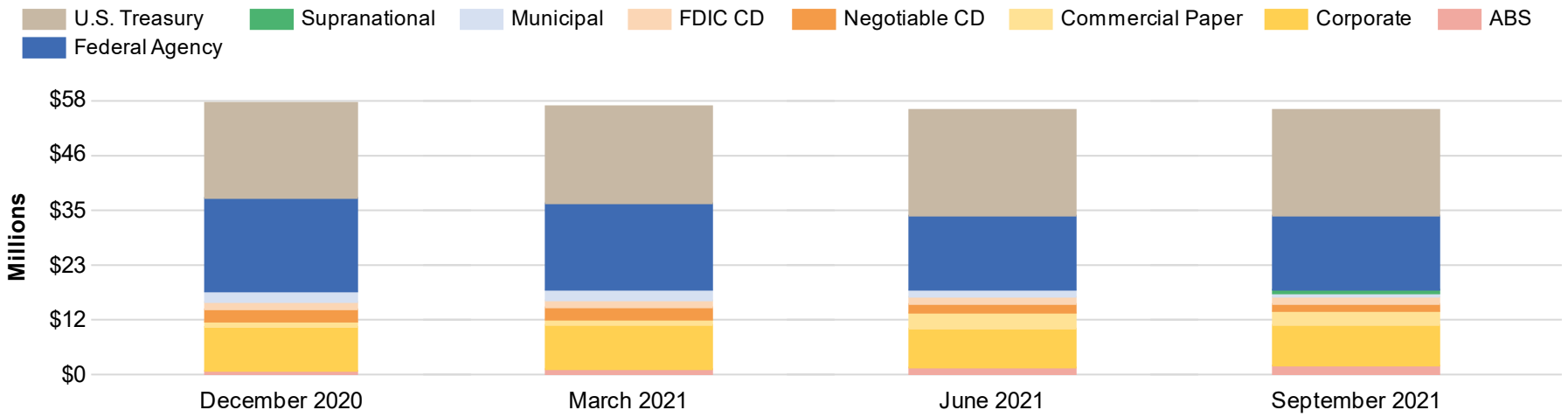
Sector Allocation Review - UNION SANITARY DISTRICT

Security Type	Dec-20	% of Total	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total
U.S. Treasury	$20.0	34.9%	$20.6	36.3%	$22.3	39.7%	$22.2	39.6%
Federal Agency	$20.0	34.7%	$18.3	32.3%	$15.9	28.2%	$15.6	28.0%
Supranational	$0.0	0.0%	$0.0	0.0%	$0.0	0.0%	$0.8	1.5%
Municipal	$2.0	3.5%	$2.0	3.6%	$1.5	2.7%	$1.0	1.8%
FDIC CD	$1.8	3.1%	$1.8	3.1%	$1.5	2.7%	$1.5	2.7%
Negotiable CD	$2.5	4.3%	$2.5	4.3%	$1.9	3.4%	$1.3	2.3%
Commercial Paper	$1.0	1.7%	$1.0	1.8%	$3.2	5.7%	$3.2	5.7%
Corporate	$9.3	16.2%	$9.4	16.6%	$8.4	15.0%	$8.5	15.2%
ABS	$0.9	1.6%	$1.2	2.0%	$1.5	2.6%	$1.8	3.2%
Total	**$57.4**	**100.0%**	**$56.8**	**100.0%**	**$56.1**	**100.0%**	**$56.0**	**100.0%**



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

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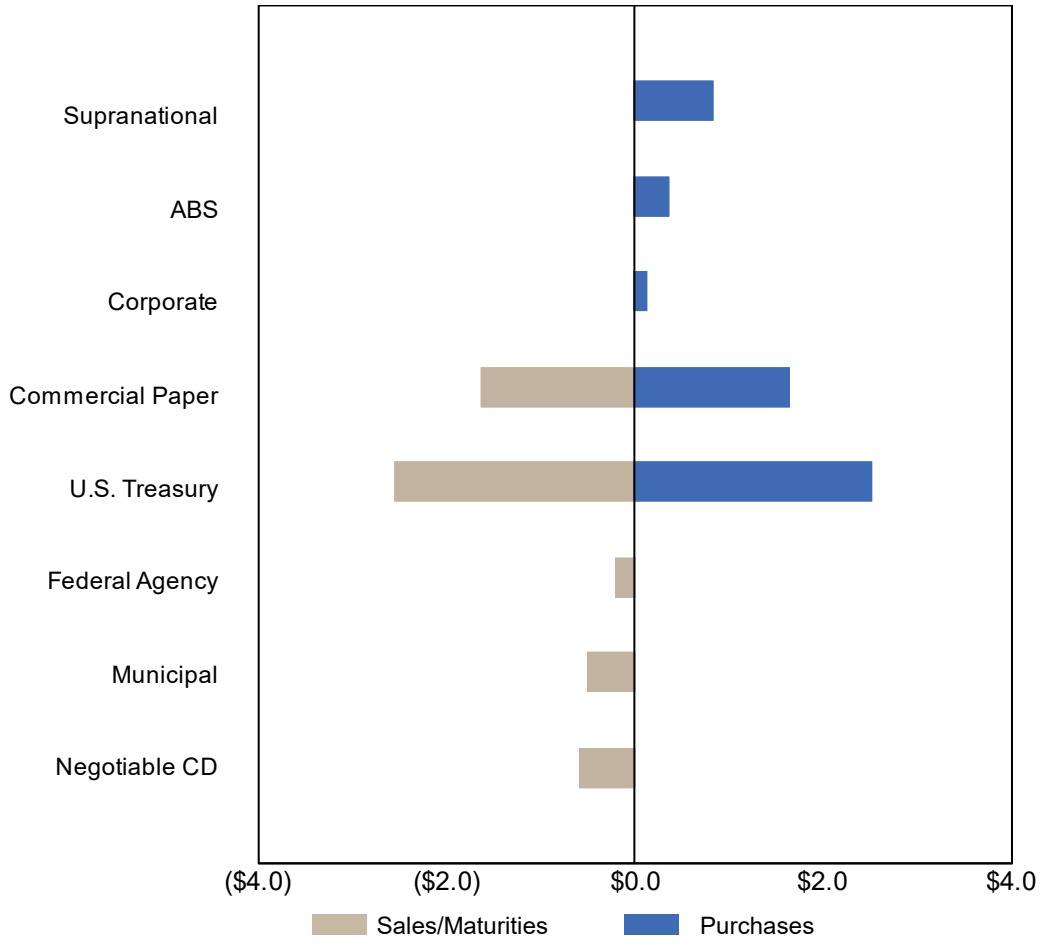
Portfolio Activity - UNION SANITARY DISTRICT

Net Activity by Sector
($ millions)



Sector	Net Activity
Supranational	$819,393
ABS	$349,951
Corporate	$120,000
Commercial Paper	($1,405)
U.S. Treasury	($29,311)
Federal Agency	($190,022)
Municipal	($504,740)
Negotiable CD	($579,656)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

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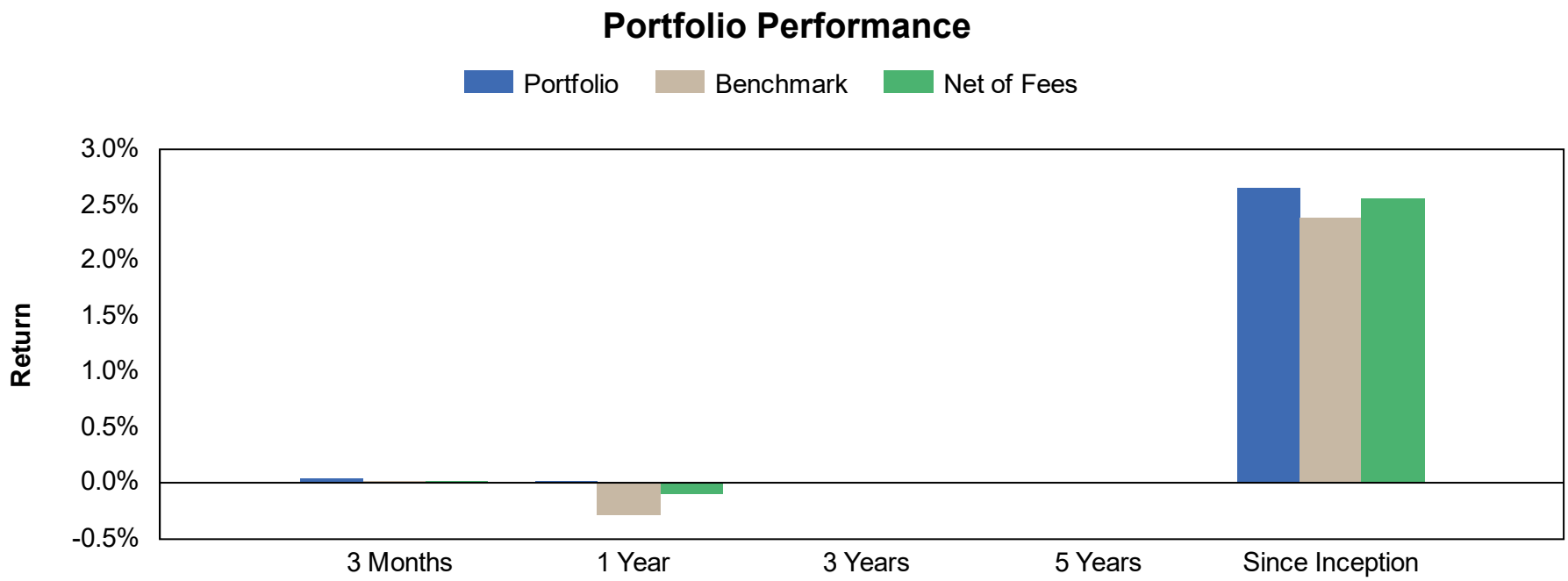

Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception[1]
Interest Earned[2]	$183,671	$798,811	-	-	$2,408,610
Change in Market Value	($158,623)	($795,976)	-	-	$1,383,014
Total Dollar Return	**$25,048**	**$2,835**	**-**	**-**	**$3,791,624**
Total Return[3]					
Portfolio	0.04%	0.01%	-	-	2.65%
Benchmark[4]	0.00%	-0.28%	-	-	2.38%
Basis Point Fee	0.02%	0.09%	-	-	0.09%
Net of Fee Return	0.02%	-0.08%	-	-	2.56%

1. *The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2019.*
2. *Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.*
3. *Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.*
4. *The portfolio's benchmark is the ICE BofAML 0-5 Year U.S. Treasury Index. Source: Bloomberg.*

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Periodic Performance

Periodic Performance				
	Current Quarter	**Q2 2021**	**Q1 2021**	**Since Inception** 3/31/2019
Net Accrual Earnings	$183,671	$197,397	$205,339	$2,419,275
Change in Market Value	-$158,623	-$117,519	-$399,627	$2,992,813
Total Dollar Return	**$25,048**	**$79,879**	**-$194,288**	**$3,649,426**
Fees	$12,325	$12,194	$12,183	$126,476
Fees in Basis Points	0.02%	0.02%	0.02%	0.09%
Net of Fees Return	**0.02%**	**0.12%**	**-0.36%**	**2.56%**

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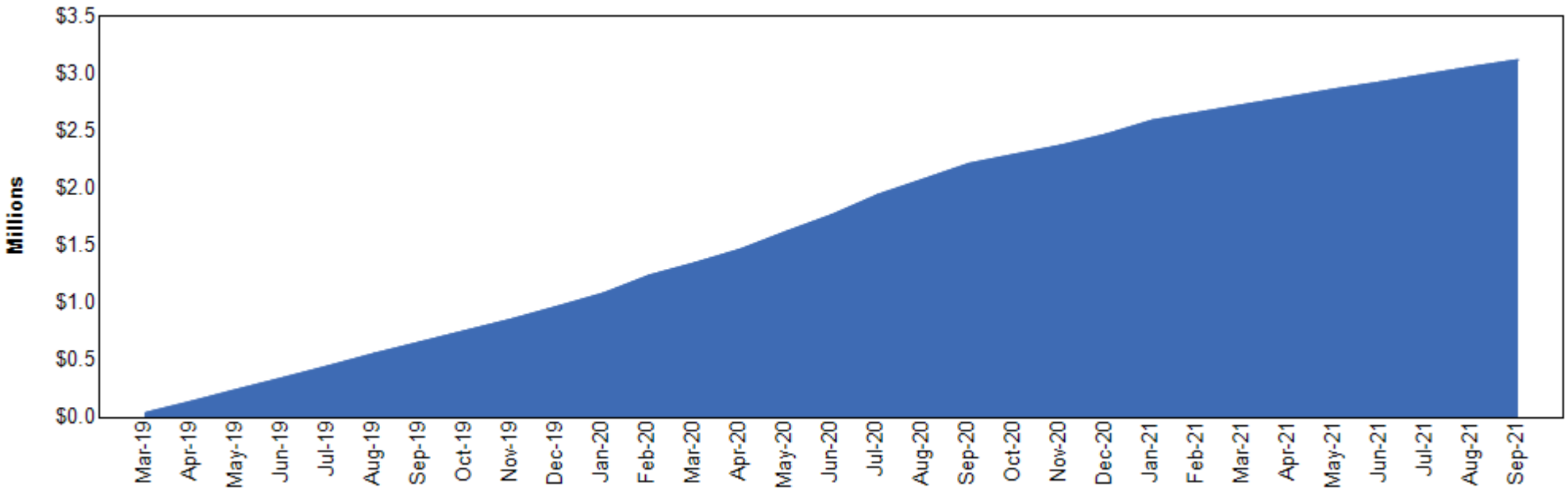
Accrual Basis Earnings - UNION SANITARY DISTRICT



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	$183,671	$798,811	-	-	$2,408,610
Realized Gains / (Losses)	$11,633	$117,775	-	-	$585,038
Change in Amortized Cost	($967)	($12,082)	-	-	$84,894
Total Earnings	**$194,337**	**$904,503**	**-**	**-**	**$3,078,542**

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

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Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
BUY									
7/2/21	7/7/21	590,000	91282CBH3	US TREASURY NOTES	0.37%	1/31/26	579,620.50	0.80%	
7/8/21	7/9/21	1,635,000	19424JBF2	COLLAT COMM PAPER V CO COMM PAPER	0.00%	2/15/22	1,633,594.81	0.14%	
8/2/21	8/2/21	500,000	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	494,960.08	0.53%	
8/3/21	8/10/21	120,000	46647PCM6	JPMORGAN CHASE & CO CORPORATE NOTES	0.76%	8/9/25	120,000.00	0.77%	
8/13/21	8/16/21	410,000	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	403,888.30	0.65%	
9/7/21	9/9/21	1,060,000	91282CAM3	US TREASURY NOTES	0.25%	9/30/25	1,043,368.26	0.67%	
9/15/21	9/23/21	820,000	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/24	819,393.20	0.52%	
9/20/21	9/27/21	155,000	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/26	154,966.81	0.58%	
9/21/21	9/27/21	195,000	89239BAC5	TAOT 2021-C A3	0.43%	1/15/26	194,984.46	0.43%	
Total BUY		**5,485,000**					**5,444,776.42**		
INTEREST									
7/8/21	7/8/21	435,000	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/22	1,530.96		
7/10/21	7/10/21	795,000	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/23	993.75		
7/15/21	7/15/21	90,000	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
7/15/21	7/15/21	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
7/15/21	7/15/21	180,000	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
7/15/21	7/15/21	120,000	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
7/15/21	7/15/21	1,000,000	9128287C8	US TREASURY NOTES	1.75%	7/15/22	8,750.00		
7/15/21	7/15/21	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
7/21/21	7/21/21	525,000	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/25	984.38		
7/21/21	7/21/21	150,000	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
7/21/21	7/21/21	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
7/24/21	7/24/21	500,000	06053FAA7	BANK OF AMERICA CORP NOTES	4.10%	7/24/23	10,250.00		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
7/26/21	7/26/21	259,000	3136G46V0	FANNIE MAE NOTES (CALLABLE)	0.31%	1/26/24	401.45		
7/26/21	7/26/21	247,000	8562846A7	STATE BANK OF INDIA CD	2.25%	1/26/22	2,755.91		
7/31/21	7/31/21	590,000	91282CBH3	US TREASURY NOTES	0.37%	1/31/26	1,106.25		
7/31/21	7/31/21	715,000	9128286A3	US TREASURY NOTES	2.62%	1/31/26	9,384.38		
7/31/21	7/31/21	1,035,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	6,468.75		
8/12/21	8/12/21	1,035,000	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	7,762.50		
8/13/21	8/13/21	430,000	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	3,870.00		
8/14/21	8/14/21	1,000,000	3135G05S8	FANNIE MAE NOTES (CALLABLE)	0.50%	8/14/25	2,500.00		
8/15/21	8/15/21	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
8/15/21	8/15/21	180,000	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
8/15/21	8/15/21	120,000	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
8/15/21	8/15/21	90,000	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
8/15/21	8/15/21	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
8/17/21	8/17/21	775,000	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	5,328.13		
8/21/21	8/21/21	150,000	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
8/21/21	8/21/21	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
8/22/21	8/22/21	675,000	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	8,100.00		
8/24/21	8/24/21	520,000	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/23	650.00		
8/24/21	8/24/21	247,000	87165ELT2	SYNCHRONY BANK CD	2.30%	2/24/22	2,817.15		
8/25/21	8/25/21	970,000	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/25	1,818.75		
8/31/21	8/31/21	1,260,000	91282CBQ3	US TREASURY NOTES	0.50%	2/28/26	3,150.00		
8/31/21	8/31/21	2,000,000	912828W48	US TREASURY NOTES	2.12%	2/29/24	21,250.00		
8/31/21	8/31/21	485,000	912828W55	US TREASURY NOTES	1.87%	2/28/22	4,546.88		
8/31/21	8/31/21	910,000	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	1,137.50		
9/1/21	9/1/21	985,000	30231GAR3	EXXON MOBIL CORPORATION CORP NOTES	2.72%	3/1/23	13,425.55		
9/3/21	9/3/21	1,000,000	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	13,500.00		
9/10/21	9/10/21	247,000	05580AGR9	BMW BANK NORTH AMERICA CD	2.15%	3/10/22	2,677.07		
9/15/21	9/15/21	120,000	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
9/15/21	9/15/21	180,000	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
9/15/21	9/15/21	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
9/15/21	9/15/21	90,000	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
9/15/21	9/15/21	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
9/16/21	9/16/21	110,000	46647PBS4	JPMORGAN CHASE & CO CORPORATE NOTES (CAL	0.65%	9/16/24	359.15		
9/21/21	9/21/21	248,000	080515BV0	BELMONT SAVINGS BANK CD	2.15%	3/21/22	2,687.91		
9/21/21	9/21/21	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
9/21/21	9/21/21	1,625,000	3133EMAM4	FEDERAL FARM CREDIT BANK (CALLABLE)	0.25%	9/21/23	2,031.25		
9/21/21	9/21/21	150,000	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
9/23/21	9/23/21	795,000	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/25	1,490.63		
9/30/21	9/30/21	1,060,000	91282CAM3	US TREASURY NOTES	0.25%	9/30/25	1,325.00		
9/30/21	9/30/21	175,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	1,312.50		
9/30/21	9/30/21	835,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	7,306.25		
9/30/21	9/30/21	730,000	912828W71	US TREASURY NOTES	2.12%	3/31/24	7,756.25		
9/30/21	9/30/21	1,545,000	912828T26	US TREASURY NOTES	1.37%	9/30/23	10,621.88		
Total INTEREST		**30,098,000**					**174,399.94**		
MATURITY									
7/9/21	7/9/21	1,635,000	01329WU90	ALBION CAP CORP/LLC COMM PAPER	0.00%	7/9/21	1,635,000.00		0.00
8/1/21	8/1/21	500,000	92603PER9	VICTOR VALLEY CCD, CA TXBL GO BONDS	1.89%	8/1/21	504,740.00		0.00
8/15/21	8/15/21	400,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	405,500.00		0.00
Total MATURITY		**2,535,000**					**2,545,240.00**		**0.00**
SELL									
7/6/21	7/7/21	570,000	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	579,655.80		5,580.30
8/9/21	8/10/21	115,000	912828XX3	US TREASURY NOTES	2.00%	6/30/24	120,543.55		4,601.35
9/7/21	9/9/21	550,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	554,783.03		216.21
9/7/21	9/9/21	485,000	912828W55	US TREASURY NOTES	1.87%	2/28/22	489,431.95		5,134.70

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
9/15/21	9/23/21	790,000	912828YM6	US TREASURY NOTES	1.50%	10/31/24	820,098.63		(3,168.15)
9/22/21	9/27/21	155,000	912828YM6	US TREASURY NOTES	1.50%	10/31/24	160,791.44		(741.09)
9/22/21	9/27/21	190,000	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/23	190,021.80		9.78
Total SELL		**2,855,000**					**2,915,326.20**		**11,633.10**

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
BUY	7/2/21	7/7/21	590,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/26	(579,620.50)	0.80%	
SELL	7/6/21	7/7/21	570,000.00	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	579,655.80		5,580.30
INTEREST	7/8/21	7/8/21	435,000.00	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/22	1,530.96		
BUY	7/8/21	7/9/21	1,635,000.00	19424JBF2	COLLAT COMM PAPER V CO COMM PAPER	0.00%	2/15/22	(1,633,594.81)	0.14%	
MATURITY	7/9/21	7/9/21	1,635,000.00	01329WU90	ALBION CAP CORP/LLC COMM PAPER	0.00%	7/9/21	1,635,000.00		0.00
INTEREST	7/10/21	7/10/21	795,000.00	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/23	993.75		
INTEREST	7/15/21	7/15/21	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
INTEREST	7/15/21	7/15/21	415,000.00	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
INTEREST	7/15/21	7/15/21	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
INTEREST	7/15/21	7/15/21	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
INTEREST	7/15/21	7/15/21	1,000,000.00	9128287C8	US TREASURY NOTES	1.75%	7/15/22	8,750.00		
INTEREST	7/15/21	7/15/21	185,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
INTEREST	7/21/21	7/21/21	525,000.00	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/25	984.38		
INTEREST	7/21/21	7/21/21	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
INTEREST	7/21/21	7/21/21	305,000.00	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
INTEREST	7/24/21	7/24/21	500,000.00	06053FAA7	BANK OF AMERICA CORP NOTES	4.10%	7/24/23	10,250.00		
INTEREST	7/26/21	7/26/21	259,000.00	3136G46V0	FANNIE MAE NOTES (CALLABLE)	0.31%	1/26/24	401.45		
INTEREST	7/26/21	7/26/21	247,000.00	8562846A7	STATE BANK OF INDIA CD	2.25%	1/26/22	2,755.91		
INTEREST	7/31/21	7/31/21	590,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/26	1,106.25		
INTEREST	7/31/21	7/31/21	715,000.00	9128286A3	US TREASURY NOTES	2.62%	1/31/26	9,384.38		

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	7/31/21	7/31/21	1,035,000.00	912828S92	US TREASURY NOTES	1.25%	7/31/23	6,468.75		
MATURITY	8/1/21	8/1/21	500,000.00	92603PER9	VICTOR VALLEY CCD, CA TXBL GO BONDS	1.89%	8/1/21	504,740.00		0.00
BUY	8/2/21	8/2/21	500,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	(494,960.08)	0.53%	
BUY	8/3/21	8/10/21	120,000.00	46647PCM6	JPMORGAN CHASE & CO CORPORATE NOTES	0.76%	8/9/25	(120,000.00)	0.77%	
SELL	8/9/21	8/10/21	115,000.00	912828XX3	US TREASURY NOTES	2.00%	6/30/24	120,543.55		4,601.35
INTEREST	8/12/21	8/12/21	1,035,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	7,762.50		
INTEREST	8/13/21	8/13/21	430,000.00	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	3,870.00		
BUY	8/13/21	8/16/21	410,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	(403,888.30)	0.65%	
INTEREST	8/14/21	8/14/21	1,000,000.00	3135G05S8	FANNIE MAE NOTES (CALLABLE)	0.50%	8/14/25	2,500.00		
INTEREST	8/15/21	8/15/21	185,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
INTEREST	8/15/21	8/15/21	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
INTEREST	8/15/21	8/15/21	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
INTEREST	8/15/21	8/15/21	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
INTEREST	8/15/21	8/15/21	415,000.00	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
MATURITY	8/15/21	8/15/21	400,000.00	9128284W7	US TREASURY NOTES	2.75%	8/15/21	405,500.00		0.00
INTEREST	8/17/21	8/17/21	775,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	5,328.13		
INTEREST	8/21/21	8/21/21	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
INTEREST	8/21/21	8/21/21	305,000.00	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
INTEREST	8/22/21	8/22/21	675,000.00	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	8,100.00		
INTEREST	8/24/21	8/24/21	520,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/23	650.00		
INTEREST	8/24/21	8/24/21	247,000.00	87165ELT2	SYNCHRONY BANK CD	2.30%	2/24/22	2,817.15		
INTEREST	8/25/21	8/25/21	970,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/25	1,818.75		

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	8/31/21	8/31/21	1,260,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/26	3,150.00		
INTEREST	8/31/21	8/31/21	2,000,000.00	912828W48	US TREASURY NOTES	2.12%	2/29/24	21,250.00		
INTEREST	8/31/21	8/31/21	485,000.00	912828W55	US TREASURY NOTES	1.87%	2/28/22	4,546.88		
INTEREST	8/31/21	8/31/21	910,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/25	1,137.50		
INTEREST	9/1/21	9/1/21	985,000.00	30231GAR3	EXXON MOBIL CORPORATION CORP NOTES	2.72%	3/1/23	13,425.55		
INTEREST	9/3/21	9/3/21	1,000,000.00	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	13,500.00		
BUY	9/7/21	9/9/21	1,060,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/25	(1,043,368.26)	0.67%	
SELL	9/7/21	9/9/21	550,000.00	912828U65	US TREASURY NOTES	1.75%	11/30/21	554,783.03		216.21
SELL	9/7/21	9/9/21	485,000.00	912828W55	US TREASURY NOTES	1.87%	2/28/22	489,431.95		5,134.70
INTEREST	9/10/21	9/10/21	247,000.00	05580AGR9	BMW BANK NORTH AMERICA CD	2.15%	3/10/22	2,677.07		
INTEREST	9/15/21	9/15/21	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/25	38.00		
INTEREST	9/15/21	9/15/21	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/26	78.00		
INTEREST	9/15/21	9/15/21	415,000.00	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
INTEREST	9/15/21	9/15/21	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/25	25.50		
INTEREST	9/15/21	9/15/21	185,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
BUY	9/15/21	9/23/21	820,000.00	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/24	(819,393.20)	0.52%	
SELL	9/15/21	9/23/21	790,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/24	820,098.63		(3,168.15)
INTEREST	9/16/21	9/16/21	110,000.00	46647PBS4	JPMORGAN CHASE & CO CORPORATE NOTES (CAL	0.65%	9/16/24	359.15		
BUY	9/20/21	9/27/21	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/26	(154,966.81)	0.58%	
INTEREST	9/21/21	9/21/21	248,000.00	080515BV0	BELMONT SAVINGS BANK CD	2.15%	3/21/22	2,687.91		
INTEREST	9/21/21	9/21/21	305,000.00	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
INTEREST	9/21/21	9/21/21	1,625,000.00	3133EMAM4	FEDERAL FARM CREDIT BANK (CALLABLE)	0.25%	9/21/23	2,031.25		

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	9/21/21	9/21/21	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/25	33.75		
BUY	9/21/21	9/27/21	195,000.00	89239BAC5	TAOT 2021-C A3	0.43%	1/15/26	(194,984.46)	0.43%	
SELL	9/22/21	9/27/21	155,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/24	160,791.44		(741.09)
SELL	9/22/21	9/27/21	190,000.00	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/23	190,021.80		9.78
INTEREST	9/23/21	9/23/21	795,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/25	1,490.63		
INTEREST	9/30/21	9/30/21	1,060,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/25	1,325.00		
INTEREST	9/30/21	9/30/21	175,000.00	912828Q29	US TREASURY NOTES	1.50%	3/31/23	1,312.50		
INTEREST	9/30/21	9/30/21	835,000.00	912828L57	US TREASURY NOTES	1.75%	9/30/22	7,306.25		
INTEREST	9/30/21	9/30/21	730,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/24	7,756.25		
INTEREST	9/30/21	9/30/21	1,545,000.00	912828T26	US TREASURY NOTES	1.37%	9/30/23	10,621.88		
TOTALS								**190,189.72**		**11,633.10**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	710,000.00	AA+	Aaa	3/19/2019	3/20/2019	703,454.69	2.42	3,812.87	708,513.92	720,871.88
US TREASURY NOTES DTD 07/15/2019 1.750% 07/15/2022	9128287C8	1,000,000.00	AA+	Aaa	7/31/2019	7/31/2019	998,789.06	1.79	3,709.24	999,678.20	1,013,125.00
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	835,000.00	AA+	Aaa	3/19/2019	3/20/2019	816,016.80	2.43	40.14	829,643.50	848,699.18
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,170,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,157,340.24	2.43	6,283.19	1,165,822.83	1,198,884.38
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	175,000.00	AA+	Aaa	3/19/2019	3/20/2019	168,799.81	2.43	7.21	172,700.20	178,445.31
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	1,385,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,325,866.99	2.43	4,812.69	1,360,900.37	1,412,700.00
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	1,035,000.00	AA+	Aaa	4/1/2019	4/2/2019	990,365.62	2.30	2,179.69	1,016,141.20	1,053,921.04
US TREASURY NOTES DTD 09/30/2016 1.375% 09/30/2023	912828T26	1,545,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,475,112.89	2.44	58.36	1,514,215.89	1,578,555.55
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,982,968.75	2.44	11,372.28	1,991,996.19	2,085,625.00
US TREASURY NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,970,625.00	2.44	3,639.50	1,985,678.27	2,083,750.00
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	730,000.00	AA+	Aaa	3/2/2020	3/2/2020	767,412.50	0.84	42.62	752,899.46	761,139.03
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	590,000.00	AA+	Aaa	6/3/2019	6/7/2019	592,996.09	1.89	4,938.04	591,577.59	613,968.75
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	355,000.00	AA+	Aaa	7/1/2019	7/3/2019	358,660.93	1.78	1,794.29	357,013.11	369,921.08
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	60,000.00	AA+	Aaa	1/11/2021	1/12/2021	62,655.47	0.33	376.63	62,154.22	61,762.50
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	1,020,000.00	AA+	Aaa	5/17/2021	5/17/2021	1,005,576.56	0.61	856.97	1,006,916.23	1,002,946.82

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	500,000.00	AA+	Aaa	8/2/2021	8/2/2021	494,433.59	0.53	107.04	494,657.74	489,843.75
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	410,000.00	AA+	Aaa	8/13/2021	8/16/2021	403,417.58	0.65	87.78	403,622.72	401,671.88
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	1,060,000.00	AA+	Aaa	9/7/2021	9/9/2021	1,042,195.31	0.67	7.28	1,042,459.62	1,037,475.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	535,000.00	AA+	Aaa	4/5/2021	4/7/2021	522,314.65	0.89	507.01	523,613.27	524,300.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	600,000.00	AA+	Aaa	5/6/2021	5/7/2021	590,343.75	0.73	568.61	591,179.22	588,000.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	755,000.00	AA+	Aaa	1/22/2021	1/25/2021	752,847.07	0.43	715.51	753,144.73	739,900.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	137,000.00	AA+	Aaa	5/3/2021	5/3/2021	134,629.26	0.75	129.83	134,839.47	134,260.00
US TREASURY NOTES DTD 01/31/2019 2.625% 01/31/2026	9128286A3	715,000.00	AA+	Aaa	2/4/2021	2/4/2021	791,164.26	0.46	3,162.13	781,173.45	768,625.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	590,000.00	AA+	Aaa	7/2/2021	7/7/2021	578,660.94	0.80	372.76	579,245.22	577,370.34
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	1,260,000.00	AA+	Aaa	3/4/2021	3/5/2021	1,242,970.31	0.78	539.50	1,244,934.20	1,238,737.50
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	245,000.00	AA+	Aaa	5/27/2021	5/28/2021	244,387.50	0.80	768.95	244,430.42	243,162.50
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	500,000.00	AA+	Aaa	6/1/2021	6/1/2021	498,417.97	0.81	1,260.25	498,523.73	495,781.25
Security Type Sub-Total		**21,917,000.00**					**21,672,423.59**	**1.66**	**52,150.37**	**21,807,674.97**	**22,223,442.74**
Supra-National Agency Bond / Note											
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	820,000.00	AAA	Aaa	9/15/2021	9/23/2021	819,393.20	0.52	91.11	819,397.63	818,688.82

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		**820,000.00**					**819,393.20**	**0.52**	**91.11**	**819,397.63**	**818,688.82**
Municipal Bond / Note											
CA ST TXBL GO BONDS DTD 04/27/2017 2.367% 04/01/2022	13063DAD0	1,000,000.00	AA-	Aa2	4/27/2017	4/27/2017	1,010,000.00	2.15	11,835.00	1,001,011.11	1,010,970.00
Security Type Sub-Total		**1,000,000.00**					**1,010,000.00**	**2.15**	**11,835.00**	**1,001,011.11**	**1,010,970.00**
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANKS NOTES DTD 04/26/2017 2.000% 10/26/2021	3130AB3D6	1,000,000.00	AA+	Aaa	4/26/2017	4/26/2017	1,000,000.00	2.00	8,611.11	1,000,000.00	1,001,361.00
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	970,000.00	AA+	Aaa	3/13/2020	3/16/2020	993,619.50	0.68	8,891.67	975,857.64	978,812.45
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	775,000.00	AA+	Aaa	2/20/2020	2/21/2020	773,574.00	1.44	1,302.43	774,341.85	787,530.20
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	220,000.00	AA+	Aaa	5/29/2020	5/29/2020	220,305.80	0.33	334.58	220,165.89	220,509.96
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	865,000.00	AA+	Aaa	5/20/2020	5/22/2020	862,396.35	0.35	774.90	863,578.10	865,294.10
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	780,000.00	AA+	Aaa	6/24/2020	6/26/2020	777,722.40	0.35	514.58	778,683.36	780,145.08
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	795,000.00	AA+	Aaa	7/8/2020	7/10/2020	793,290.75	0.32	447.19	793,990.06	795,079.50
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	520,000.00	AA+	Aaa	8/19/2020	8/21/2020	519,469.60	0.28	133.61	519,665.72	519,858.56
FEDERAL FARM CREDIT BANK (CALLABLE) DTD 09/21/2020 0.250% 09/21/2023	3133EMAM4	1,625,000.00	AA+	Aaa	10/7/2020	10/9/2020	1,622,237.50	0.31	112.85	1,623,153.20	1,622,580.38
FANNIE MAE NOTES (CALLABLE) DTD 10/26/2020 0.310% 01/26/2024	3136G46V0	259,000.00	AA+	Aaa	10/23/2020	10/26/2020	258,896.40	0.32	144.97	258,926.07	258,434.34
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,035,000.00	AA+	Aaa	2/13/2020	2/14/2020	1,034,203.05	1.52	2,113.13	1,034,462.88	1,065,820.23

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	560,000.00	AA+	Aaa	4/15/2020	4/16/2020	557,222.40	0.60	1,298.89	558,034.06	556,788.40
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	125,000.00	AA+	Aaa	4/28/2020	4/28/2020	124,763.75	0.66	345.05	124,831.38	124,827.25
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	455,000.00	AA+	Aaa	4/22/2020	4/24/2020	454,062.70	0.67	1,255.99	454,332.48	454,371.19
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	865,000.00	AA+	Aaa	6/17/2020	6/19/2020	863,209.45	0.54	1,249.44	863,669.85	858,534.99
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,010,000.00	AA+	Aaa	10/26/2020	10/28/2020	1,011,494.80	0.47	1,458.89	1,011,196.37	1,002,451.26
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	525,000.00	AA+	Aaa	7/21/2020	7/23/2020	522,385.50	0.48	382.81	523,009.02	516,960.15
FANNIE MAE NOTES (CALLABLE) DTD 08/14/2020 0.500% 08/14/2025	3135G05S8	1,000,000.00	AA+	Aaa	8/24/2020	8/24/2020	998,400.00	0.53	652.78	998,755.07	986,412.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	415,000.00	AA+	Aaa	10/21/2020	10/22/2020	412,754.85	0.49	155.63	413,191.69	408,805.29
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	555,000.00	AA+	Aaa	8/25/2020	8/27/2020	552,402.60	0.47	208.12	552,972.21	546,715.52
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	795,000.00	AA+	Aaa	9/23/2020	9/25/2020	792,607.05	0.44	66.25	793,093.77	782,591.64
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	520,000.00	AA+	Aaa	11/9/2020	11/12/2020	518,138.40	0.57	1,040.00	518,468.60	512,386.68
Security Type Sub-Total		**15,669,000.00**					**15,663,156.85**	**0.68**	**31,494.87**	**15,654,379.27**	**15,646,270.17**
Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	1,000,000.00	A-	A2	5/15/2017	5/15/2017	1,013,279.67	2.41	2,100.00	1,000,940.84	1,008,117.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
PACCAR FINANCIAL CORP CORP NOTES DTD 05/10/2019 2.650% 05/10/2022	69371RP83	580,000.00	A+	A1	5/3/2019	5/10/2019	579,686.80	2.67	6,019.92	579,936.85	588,657.66
BRANCH BANKING & TRUST (CALLABLE) CORP N DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	525,000.00	A-	A3	3/20/2019	3/22/2019	525,714.00	3.01	4,492.40	525,142.80	534,316.65
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	675,000.00	AA	A1	4/11/2019	4/15/2019	668,499.75	2.66	1,755.00	672,651.79	693,752.18
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	985,000.00	AA-	Aa2	6/13/2019	6/14/2019	1,001,400.25	2.26	2,237.59	991,240.80	1,014,627.82
WAL MART STORES INC GLOBAL NT (CALLABLE) DTD 04/11/2013 2.550% 04/11/2023	931142DH3	965,000.00	AA	Aa2	5/21/2020	5/26/2020	1,015,701.10	0.70	11,620.21	989,663.97	993,168.35
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	415,000.00	A-	A3	1/7/2020	1/10/2020	414,846.45	1.96	3,169.56	414,926.00	424,841.31
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	325,000.00	AA+	Aa1	5/4/2020	5/11/2020	324,116.00	0.84	947.92	324,526.11	327,387.78
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 05/18/2016 2.700% 05/18/2023	46625HRL6	525,000.00	A-	A2	3/20/2019	3/22/2019	517,970.25	3.04	5,236.88	522,249.23	542,726.63
BANK OF AMERICA CORP NOTES DTD 07/23/2013 4.100% 07/24/2023	06053FAA7	500,000.00	A-	A2	3/20/2019	3/22/2019	520,405.00	3.09	3,815.28	508,509.59	533,324.00
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 04/22/2021 0.731% 04/05/2024	61772BAA1	205,000.00	BBB+	A1	4/20/2021	4/22/2021	205,258.30	0.69	661.86	205,199.61	205,525.42
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 04/22/2021 0.731% 04/05/2024	61772BAA1	70,000.00	BBB+	A1	4/19/2021	4/22/2021	70,000.00	0.73	226.00	70,000.00	70,179.41
JPMORGAN CHASE & CO CORPORATE NOTES (CAL DTD 09/16/2020 0.653% 09/16/2024	46647PBS4	110,000.00	A-	A2	9/9/2020	9/16/2020	110,000.00	0.65	29.93	110,000.00	110,222.86

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	250,000.00	A+	A1	5/20/2020	5/26/2020	252,442.50	1.58	600.00	251,744.04	256,550.00
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	180,000.00	A+	A1	5/20/2020	5/26/2020	181,758.60	1.58	432.00	181,255.71	184,716.00
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	135,000.00	BBB+	A3	4/27/2021	5/4/2021	135,000.00	0.98	540.78	135,000.00	135,326.57
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	145,000.00	BBB+	A3	4/28/2021	5/4/2021	145,384.25	0.91	580.83	145,344.72	145,350.75
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 05/22/2015 3.750% 05/22/2025	38148LAE6	380,000.00	BBB+	A2	2/12/2021	2/17/2021	424,528.40	0.94	5,106.25	417,663.86	411,008.38
JPMORGAN CHASE & CO CORPORATE NOTES DTD 08/10/2021 0.768% 08/09/2025	46647PCM6	120,000.00	A-	A2	8/3/2021	8/10/2021	120,000.00	0.77	130.56	120,000.00	119,562.48
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	201,000.00	A+	A2	6/17/2021	6/21/2021	198,998.04	0.98	577.88	199,125.19	198,437.85
Security Type Sub-Total		**8,291,000.00**					**8,424,989.36**	**1.97**	**50,280.85**	**8,365,121.11**	**8,497,799.10**
Commercial Paper											
LMA AMERICAS LLC COMM PAPER DTD 03/01/2021 0.000% 10/01/2021	53944QX13	535,000.00	A-1	P-1	5/18/2021	5/19/2021	534,719.13	0.14	0.00	535,000.00	534,998.40
MUFG BANK LTD/NY COMM PAPER DTD 02/22/2021 0.000% 11/19/2021	62479LYK5	1,000,000.00	A-1	P-1	2/22/2021	2/22/2021	998,725.00	0.17	0.00	999,768.61	999,879.00
COLLAT COMM PAPER V CO COMM PAPER DTD 05/21/2021 0.000% 02/15/2022	19424JBF2	1,635,000.00	A-1	P-1	7/8/2021	7/9/2021	1,633,594.81	0.14	0.00	1,634,128.91	1,633,852.23
Security Type Sub-Total		**3,170,000.00**					**3,167,038.94**	**0.15**	**0.00**	**3,168,897.52**	**3,168,729.63**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit - FDIC Insured											
DISCOVER BANK CD DTD 12/29/2016 2.250% 12/29/2021	254672Y36	247,000.00	NR	NR	12/29/2016	12/29/2016	247,000.00	2.25	1,431.25	247,000.00	248,330.10
STATE BANK OF INDIA CD DTD 01/26/2017 2.250% 01/26/2022	8562846A7	247,000.00	NR	NR	1/26/2017	1/26/2017	247,000.00	2.25	1,020.14	247,000.00	248,730.73
SYNCHRONY BANK CD DTD 02/24/2017 2.300% 02/24/2022	87165ELT2	247,000.00	NR	NR	2/28/2017	2/28/2017	247,000.00	2.30	591.45	247,000.00	249,210.65
BMW BANK NORTH AMERICA CD DTD 03/10/2017 2.150% 03/10/2022	05580AGR9	247,000.00	NR	NR	3/10/2017	3/10/2017	247,000.00	2.15	305.54	247,000.00	249,305.00
BELMONT SAVINGS BANK CD DTD 03/20/2017 2.150% 03/21/2022	080515BV0	248,000.00	NR	NR	3/20/2017	3/20/2017	248,000.00	2.15	146.08	248,000.00	250,449.00
AMERICAN EXPRESS CREDIT CD DTD 04/05/2017 2.450% 04/05/2022	02587DN38	247,000.00	NR	NR	4/5/2017	4/5/2017	247,000.00	2.45	2,967.72	247,000.00	250,005.25
Security Type Sub-Total		**1,483,000.00**					**1,483,000.00**	**2.26**	**6,462.18**	**1,483,000.00**	**1,496,030.73**
Certificate of Deposit											
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	435,000.00	A-1	P-1	7/10/2020	7/14/2020	435,000.00	0.70	718.96	435,000.00	436,678.67
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	430,000.00	AA-	Aa2	12/5/2019	12/6/2019	430,000.00	2.03	2,948.37	430,000.00	439,104.82
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	435,000.00	A+	A1	3/19/2021	3/23/2021	435,000.00	0.59	1,368.80	435,000.00	436,303.26
Security Type Sub-Total		**1,300,000.00**					**1,300,000.00**	**1.11**	**5,036.13**	**1,300,000.00**	**1,312,086.75**
Asset-Backed Security											
HAROT 2020-1 A3 DTD 02/26/2020 1.610% 04/22/2024	43813RAC1	305,000.00	NR	Aaa	2/19/2020	2/26/2020	304,940.22	1.61	136.40	304,963.19	308,176.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
TAOT 2020-A A3 DTD 02/12/2020 1.660% 05/15/2024	89232HAC9	415,000.00	AAA	Aaa	2/4/2020	2/12/2020	414,970.04	1.66	306.18	414,981.55	418,998.19
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	185,000.00	AAA	NR	1/14/2020	1/22/2020	184,963.70	1.89	155.40	184,976.23	187,482.63
HAROT 2021-1 A3 DTD 02/24/2021 0.270% 04/21/2025	43813GAC5	150,000.00	NR	Aaa	2/17/2021	2/24/2021	149,997.26	0.27	11.25	149,997.66	149,806.08
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	120,000.00	AAA	NR	4/20/2021	4/28/2021	119,987.38	0.38	20.27	119,988.61	119,924.17
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	90,000.00	AAA	NR	1/20/2021	1/27/2021	89,982.22	0.34	13.60	89,984.68	89,798.65
TAOT 2021-C A3 DTD 09/27/2021 0.430% 01/15/2026	89239BAC5	195,000.00	AAA	Aaa	9/21/2021	9/27/2021	194,984.46	0.43	9.32	194,984.50	194,760.29
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	180,000.00	AAA	NR	4/13/2021	4/21/2021	179,961.21	0.52	41.60	179,964.80	180,286.96
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	155,000.00	AAA	Aaa	9/20/2021	9/27/2021	154,966.81	0.58	9.99	154,966.88	154,603.09
Security Type Sub-Total		**1,795,000.00**					**1,794,753.30**	**1.07**	**704.01**	**1,794,808.10**	**1,803,836.06**
Managed Account Sub Total		**55,445,000.00**					**55,334,755.24**	**1.32**	**158,054.52**	**55,394,289.71**	**55,977,854.00**
Securities Sub-Total		**$55,445,000.00**					**$55,334,755.24**	**1.32%**	**$158,054.52**	**$55,394,289.71**	**$55,977,854.00**
Accrued Interest											**$158,054.52**
Total Investments											**$56,135,908.52**

Bolded items are forward settling trades.

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee the accuracy, completeness, or suitability of information provided by third party sources. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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Glossary

- Accrued Interest: Interest that is due on a bond or other fixed income security since the last interest payment was made.
- Agencies: Federal agency securities and/or Government-sponsored enterprises.
- Amortized Cost: The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- Asset-Backed Security: A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- Commercial Paper: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- Contribution to Total Return: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- Effective Duration: A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- Effective Yield: The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- FDIC: Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- Interest Rate: Interest per year divided by principal amount and expressed as a percentage.
- Market Value: The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- Maturity: The date upon which the principal or stated value of an investment becomes due and payable.
- Negotiable Certificates of Deposit: A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- Par Value: The nominal dollar face amount of a security.
- Pass-through Security: A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

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Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

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DECEMBER 13, 2021
UNION SANITARY DISTRICT FINANCING AUTHORITY
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 11

TITLE: **AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA LOAN AGREEMENT, A WIFIA NOTE, AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS (This is a Motion Item)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO, Business Services Work Group Manager

Recommendation
Staff recommends the Board of Directors of the Union Sanitary District Financing Authority (USDFA) adopt the attached resolution authorizing execution and delivery of a WIFIA Loan Agreement in support of the fixed-rate WIFIA Loan up to $249,660,876 to partially fund the ETSU projects and authorizing the execution and delivery of certain documents and other actions in connection therewith.

Discussion

On November 8, 2021, the USDFA Board approved loan documents for the WIFIA loan to fund 49% of the District's ETSU Program. That resolution, with a not to exceed loan amount for $188,758,204, was approved at that meeting. The following week, the results of the Aeration Basin Modification bids were opened and revealed that the low bid exceeded the District's latest estimates by $35 million or 42%. In subsequent discussions with the EPA, two options were provided to accommodate higher project costs:

1. Proceed with the originally approved loan amount and then to reapply for an additional loan at a later date.
2. Amend the current loan application to meet anticipated higher costs.

The EPA recommended, and staff agreed, to proceed with the second option.

Staff, along with the District's project consultants, met to reevaluate ETSU project costs. The chart below represents three scenarios. They range from Option 1, which anticipates the highest inflationary and market impacts over the life of the ETSU project, to Option 3 which considers a softening of these impacts as the project progresses. Staff is recommending Option 2 as it reflects an anticipated improvement in future material prices while still taking current market factors into consideration and also providing sufficient borrowing capacity if needed.

ETSU Project Cost Increase Options - Bid Adders and Anticipated Inflation			
Bid Adder Above Engineers Estimate	**Option 1**	**Option 2** Staff Recommendation	**Option 3**
AB Mods	40%	40%	40%
Campus	40%	30%	20%
Phase 1B	20%	15%	10%
Phase 1C	20%	15%	10%
Inflation Factor (year over year)			
AB Mods	8.0%	8.0%	8.0%
Campus	8.0%	8.0%	8.0%
1B	8.0%	6.0%	3.0%
1C	8.0%	6.0%	3.0%
Total Anticipated Construction Cost =	$512,060,952	$481,991,263	$419,901,309
WIFIA Loan Contingency (2%)	10,241,219	9,639,825	8,398,026
Short Term Financing (Capitalized Interest)	17,880,905	17,880,905	17,880,905
Total Anticipated Project Cost =	**$540,183,076**	**$509,511,993**	**$446,180,240**
Total WIFIA Loan Amount (49% of Total) =	**$264,689,707**	**$249,660,876**	**$218,628,318**

Not to exceed WIFIA loan amount of $188,758,204 approved by Board on 11/08/21

Staff entered Option 2 in the District's long term fiscal model and there were no short or long-term adverse effects to the current rate structure. This is directly because of the low costs of the 2021A bonds issued in September of this year as well as the favorable terms of the WIFIA

loan. Additionally, the fiscal model will further benefit if the District is able to obtain SRF financing for the remaining phases of the ETSU Program.

It's important to note that the suggested project costs above reflect maximum potential amounts. Staff will continue to search for ways to keep project costs under this amount.

Attached is a substantially final draft of the WIFIA Loan Agreement and the WIFIA Term Sheet for consideration by the Board. The Board previously approved the Installment Purchase Agreement at the November 8, 2021, meeting. That agreement has not changed since the November version except for updated dates as needed. As a result, that document does not need to be reapproved by the Board and has not been included in this staff report.

Benefits of the WIFIA loan includes:

- A single fixed interest rate is established at loan closing and is fixed for the term of the construction period and loan repayment. The District may receive multiple disbursements over several years at the same fixed interest rate or a single draw can be made within one year following substantial completion of the project.
- The WIFIA loan will be subordinated to existing District senior debt.
- WIFIA loan payments may be deferred up to five years after the project's substantial completion.
- WIFIA loans can be combined with various funding sources such as cash, State Revolving Fund loans or bonds to pay for project costs.
- The loan can be prepaid once annually in an amount not less than $500,000 and there is no prepayment penalty with the WIFIA loan.
- The WIFIA loan can be used to retire interim debt (e.g., short term notes, commercial paper or short-term loans) used to finance the ETSU project during construction to take advantage of lower short-term interest rate, if applicable. This may allow the District to reduce the cost of funding ETSU assuming interest rates and yields are favorable.

Based upon estimates of interest rates as of December 6, 2021, the 35-year WIFIA loan, which has an estimated rate of 2.00% (previously 2.15%), has net present value (NPV) savings of approximately $47 million (previously 37 million) over the life of the WIFIA Loan versus a tax-exempt debt issuance to finance the ETSU project which has an estimated rate of 2.54% (previously 2.67%). The WIFIA program sets its interest rate based on a U.S. Treasury rate plus one basis point on the date of loan closing. The rate is calculated using the weighted average life (WAL) of the loan rather than the loan maturity date. The WAL is generally shorter than the loan's actual length resulting in a lower interest rate. The WAL of the WIFIA loan is about 20 years versus the loan maturity of 35 years. The District will have the ability to use interim obligations, if economically beneficial, to fund construction needs of the WIFIA portion of the ETSU project and begin paying debt service after substantial completion.

The current plan to finance the remaining balance of the ETSU program includes the following:

1. $80 million dollars from the 2021A Revenue Bonds issued in August of 2021.
2. $151 million dollars in future debt from either the State Revolving Fund (SRF) loan or a Revenue Bond issuance.

USDFA Resolution

The resolution presented for consideration authorizes the execution and delivery of the Loan and authorizes staff to finalize and execute, as applicable, the following documents in the forms attached, with any changes recommended by General Counsel or Bond Counsel and approved by the person that executes the document, namely the Chair, the Vice Chair, or the Executive Director:

1. WIFIA Term Sheet – which sets forth the key terms of the WIFIA Loan.

2. WIFIA Loan Agreement – between the USDFA and EPA that governs various terms and conditions of the WIFIA Loan including, but not limited to, the term and interest rate, security for the WIFIA Loan, conditions to loan disbursements, covenants of the USDFA and the District, terms of repayment and prepayment and events of defaults and remedies.

Good Faith Estimates

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the Municipal Advisor, as required under Section 5852.1 of the California Government Code (the "Code").

a) The true interest cost of the WIFIA Loan is estimated at 2.00%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

b) The finance charge of the WIFIA Loan, including all fees and charges paid to third parties, is estimated at $530,000 (inclusive of the application fee). The annual servicing fee paid to the EPA is estimated at $15,970 before substantial completion of the project and $7,990 upon reaching substantial completion.

c) Proceeds of the WIFIA Loan to be received by the District for the execution and delivery of the loan, including the estimated principal amount of the proposed loan of $249,660,876, will be available to fund $249,660,876 of the project costs and the applicable deferred interest, if any. The finance charges set forth in (b) above are not included in the loan proceeds.

d) The total payment amount of the WIFIA Loan calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at $349,866,480.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

The resolutions being presented at this meeting approve the execution and delivery of the proposed loan and authorizes staff and the finance team to execute certain actions in connection therewith.

Background

The ETSU Program is the culmination of the District's planning efforts and is based on the outcomes and findings of the Plant Solids System/Capacity Assessment – Phases 1 and 2, Administration/Control/FMC Buildings Evaluation, the Effluent Management Study, and the Secondary Treatment Process Improvements evaluation. The program includes projects recommended for implementation that will be phased to address both immediate drivers (poor sludge settleability, treatment capacity, effluent disposal, and aging infrastructure), while preparing for future requirements such as nutrient regulations for discharge in the Bay that are currently being considered by the Regional Water Quality Control Board.

The Phase 1 and 2 projects included in this program were presented to the Board during the workshop held on May 8, 2019, and are summarized in the Final Report which was approved by the Board on August 26, 2019. A third phase of projects was briefly outlined that covered the timeframe from 2040 to 2058 and included potentially stricter nutrient limits in the more distant future. The projects identified in the ETSU Program and modified by the 30% design report to be implemented in the near-term (the next seven to ten years) are included in Phase 1 and are summarized in the table below.

Phase 1A	Aeration Basin Modifications	Retrofitting existing Aeration Basins 1 through 7 and construction of an 8th aeration basin with the flexibility to operate initially with an anaerobic selector during the implementation phase and transitioning to a biological nutrient removal (BNR) process following completion of the Phase 1B Project.
Phase 1A	Campus Building (Admin, FMC, Ops)	Construction of a new combined Campus Building, including associated site and utility improvements.
Phase 1B	Secondary Clarifiers	Construction of four new 160-foot diameter secondary clarifiers, mixed liquor control box, and centralized RAS pump station.
Phase 1B	Effluent Facilities	Construction of new chlorination/dechlorination contact basins, effluent pump stations, and relocation of existing effluent force main.
Phase 1C	Plant Equalization Storage	Retrofitting existing Secondary Clarifiers 1 through 4 to operate as primary effluent equalization basins.

The full version of the ETSU Program report, including appendices, can be found at the following link: https://unionsanitary.ca.gov/ETSU.

Previous Board Action
On January 13, 2020, the Board adopted a resolution to approve a Joint Exercise of Powers Agreement with the California Municipal Finance Authority to create the USD Financing Authority. The proposed loan will be issued by the USD Financing Authority and will be secured by payments to be made by the District to the USD Financing Authority pursuant to an installment purchase agreement in the form presented at this meeting. The terms of the loan will be governed by the WIFIA Loan Agreement in the form presented at this meeting.

On October 8, 2020, staff submitted a Letter of Interest, for the financial assistance program with the EPA WIFIA program for an estimated $188 million loan to partially fund the ETSU projects. The EPA notified the District on January 6, 2021, that the ETSU project was selected to submit an application for credit assistance. The application was submitted to the EPA on April 30, 2021.

On March 8, 2021, the Board adopted a resolution authorizing the preparation and submission of an EPA WIFIA application for the ETSU Phase 1 Project.

On November 8, 2021, the Board adopted a resolution authorizing a WIFIA loan in the amount of $188,758,204. That loan is being modified by the action of the attached resolution to this staff report.

Attachments:
USDFA Resolution
WIFIA Loan Agreement
WIFIA Term Sheet

UNION SANITARY DISTRICT FINANCING AUTHORITY

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF DIRECTORS OF UNION SANITARY DISTRICT FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA LOAN AGREEMENT, A WIFIA NOTE, AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the Union Sanitary District Financing Authority (the "USDFA"), a public entity duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State of California (the "State"), has the powers, among others, to issue notes and to finance facilities on behalf of its members; and

WHEREAS, the Union Sanitary District (the "District"), a sanitary district duly organized and existing under and by virtue of the laws of the State, and a member of the USDFA, proposes to acquire and construct certain District facilities (the "Project"); and

WHEREAS, in order to provide for the financing and/or refinancing for the Project, the District has submitted an Application for Financial Assistance to the United States Environmental Protection Agency ("EPA") for a loan under the authority of the Water Infrastructure Finance and Innovation Act (the "WIFIA Loan") to be made to USDFA by the EPA, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"); and

WHEREAS, the Board of Directors of USDFA (the "Board of Directors") adopted Resolution No. 2939 on November 8, 2021 approving the forms of certain documents, including the form of the Installment Purchase Agreement (defined below) relating to the WIFIA Loan; and

WHEREAS, since the adoption of Resolution No. 2939, the USDFA has requested, and the WIFIA Lender has approved, an increase to the maximum amount authorized to be drawn under the WIFIA Loan and the USDFA now desires to approve certain documents relating to the WIFIA Loan as described below, which reflect the increased amount; and

WHEREAS, USDFA and the WIFIA Lender have negotiated the terms of the proposed WIFIA Loan which are set forth in a term sheet (the "WIFIA Term Sheet") and a WIFIA loan agreement (the "WIFIA Loan Agreement"), and such documents have been approved by the District; and

WHEREAS, USDFA's obligation to repay the WIFIA Loan will be evidenced by the issuance and delivery by USDFA to the WIFIA Lender of a promissory note (the "WIFIA Note"); and

WHEREAS, USDFA is authorized under the provisions of the joint powers agreement creating USDFA, to enter into the WIFIA Loan Agreement and execute and deliver the WIFIA Note

and to pledge payments received by USDFA from the District to secure the WIFIA Loan Agreement and the WIFIA Note; and

WHEREAS, the WIFIA Loan will be payable from revenues of USDFA consisting primarily of payments made to USDFA by the District under an installment purchase agreement between USDFA and the District (the "Installment Purchase Agreement"); and

WHEREAS, the Board of Directors wishes to take its action at this time authorizing the execution and delivery of the WIFIA Term Sheet, the WIFIA Note, and the WIFIA Loan Agreement and approving related financing documents and official actions; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UNION SANITARY DISTRICT FINANCING AUTHORITY AS FOLLOWS:

SECTION 1. Findings. The Board of Directors hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the USDFA and that the statements, findings and determinations set forth above and in the preambles of the documents approved herein are true and correct.

SECTION 2. WIFIA Loan. The Board of Directors hereby authorizes the incurrence of the WIFIA Loan in accordance with the terms of the WIFIA Term Sheet, the WIFIA Note and the WIFIA Loan Agreement, which documents are authorized to be finalized and executed in accordance with Section 3 below; provided, however, that the WIFIA Term Sheet, the WIFIA Note and the WIFIA Loan Agreement shall only be executed if the total principal amount authorized to be drawn thereunder does not exceed $249,660,876 (excluding capitalized interest).

SECTION 3. The WIFIA Term Sheet, WIFIA Note and the WIFIA Loan Agreement. The WIFIA Term Sheet, the WIFIA Note and the WIFIA Loan Agreement, as made available to the Board of Directors, are hereby approved. The Chair and the Vice Chair of the Board of Directors and the Executive Director of the USDFA or the designee thereof (each an "Authorized Officer") is authorized and directed to execute and deliver the WIFIA Term Sheet, the WIFIA Note and the WIFIA Loan Agreement, with any changes recommended by USDFA General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel ("Bond Counsel"), and approved by the Authorized Officer executing the same, with execution being conclusive evidence of such approval.

SECTION 4. Good Faith Estimate of Costs. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

SECTION 5. Debt Management Policy. The Board of Directors hereby finds that the proposed financing of the Project is consistent with the USDFA's Debt Management Policy (being District Policy No. 2060) (the "Policy") and, to the extent that such proposed financing of the Project is inconsistent with any provisions of the Policy, such provisions of the Policy are hereby waived.

SECTION 6. Other Actions. Each Authorized Officer and the Treasurer of the USDFA or the designee thereof and any other proper officers of the USDFA, acting singly, are each authorized and directed to do any and all things and to execute and deliver any and all documents and certificates which such officers may deem necessary or advisable in order to consummate the sale, execution and delivery of the Installment Purchase Agreement, WIFIA Term Sheet, the WIFIA Note and the WIFIA Loan Agreement and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 7. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the WIFIA Loan Agreement unless the context otherwise clearly requires.

SECTION 8. Effect. This Resolution shall take effect immediately.

SECTION 9. Recitals. Each of the foregoing recitals are true and correct.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of the Union Sanitary District Financing Authority this 13th day of December, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Pat Kite
President of the Board of Directors
Union Sanitary District Financing Authority

_____
Manny Fernandez
Secretary, Board of Directors
Union Sanitary District Financing Authority

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

WIFIA LOAN AGREEMENT

For Up to [$249,660,876]

With

UNION SANITARY DISTRICT FINANCING AUTHORITY and

UNION SANITARY DISTRICT

For the

ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS
(WIFIA – N20104CA)

Dated as of [_____], 2021

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EXHIBIT J – Form of Quarterly Report

EXHIBIT K – Form of Public Benefits Report

WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this "**Agreement")**, dated as of [_____], 2021, is by and among **UNION SANITARY DISTRICT FINANCING AUTHORITY**, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State, with an address at 5072 Benson Road, Union City, CA 94587 (the "**Borrower**"), **UNION SANITARY DISTRICT**, a sanitary district duly organized and existing under and by virtue of the laws of the State of California (the "**State**"), with an address at 5072 Benson Road, Union City, CA 94587 (the "**District**"), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "**Administrator**"), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the "**WIFIA Lender**").

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America's Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America's Water Infrastructure Act of 2018 (collectively, as the same may be amended from time to time, the "**Act**" or "**WIFIA**"), which is codified as 33 U.S.C. §§ 3901-3914;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower is a joint exercise of powers authority duly organized and existing under and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended (the "**JPA Act**");

WHEREAS, the JPA Act authorizes and empowers the Borrower to issue revenue bonds and notes to assist the District in acquiring public capital improvements;

WHEREAS, the District desires to acquire the Project (as defined herein);

WHEREAS, the Borrower and the District have determined that the acquisition of the Project is necessary and proper for the District and is in the public interest, and the Borrower has determined to assist the District in the foregoing;

WHEREAS, the District has requested that the WIFIA Lender make the WIFIA Loan (as defined herein) to the Borrower in a principal amount not to exceed $[249,660,876] (excluding capitalized interest) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project pursuant to the application for WIFIA financial assistance dated April 30, 2021 (the "**Application**");

WHEREAS, the District and the Borrower have entered into an Installment Purchase Agreement, dated as of January 1, 2020 (as amended, modified or supplemented from time to time, the "**2020 Installment Purchase Agreement**"), and an Installment Purchase Agreement, dated as

of July 1, 2021 (as amended, modified or supplemented from time to time, the "**2021 Installment Purchase Agreement**"), for the purpose of financing and refinancing certain improvements, betterments, renovations and expansions of facilities within the Wastewater System (as defined herein), including, with respect to the 2021 Installment Purchase Agreement, the Project;

WHEREAS, the District and the Borrower have entered into that certain Installment Purchase Agreement, dated as of October [__], 2021 (as amended, modified or supplemented from time to time, the "**WIFIA Installment Purchase Agreement**") pursuant to which the District will purchase the Project from the Borrower in exchange for the payment of installment payments by the District to the Borrower, such installment payments being secured by a pledge of the Gross Revenues (as defined herein) and certain other amounts;

WHEREAS, in order to achieve the foregoing, the Borrower has authorized the issuance of the WIFIA Note (as defined herein), pursuant to the JPA Act, in the aggregate principal amount of $249,660,876 (excluding capitalized interest);

WHEREAS, as of the date hereof, the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Note, upon the terms and conditions set forth herein;

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the WIFIA Note in accordance with the terms and provisions hereof and of the WIFIA Note;

WHEREAS, the Borrower has agreed to pledge and assign to the WIFIA Lender and grant to the WIFIA Lender certain Liens (as defined herein) for the benefit of the WIFIA Lender on (i) all of the Borrower's right, title and interest to receive the Authority Revenues (as defined herein), (ii) all of its rights with respect to the WIFIA Debt Service Account (as defined herein) and (iii) all of its rights and remedies to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder, in each case for the purpose of securing (x) the payment of all sums due and owing by the Borrower to the WIFIA Lender under this Agreement and (y) the observance, performance and discharge of each agreement, condition, covenant and term of the Borrower and the District hereunder and of the District under the WIFIA Installment Purchase Agreement; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the District set forth in the Application and the supporting information provided by the Borrower and the District.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and among the Borrower, the District and the WIFIA Lender as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1. Definitions.

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"**2020 Bonds**" means the Union Sanitary District Financing Authority Revenue Bonds, Series 2020A, issued pursuant to the 2020 Indenture, originally issued in the aggregate principal amount of $64,160,000, payable from the 2020 Installment Payments.

"**2020 Installment Payments**" means the installment payments scheduled to be paid by the District under the 2020 Installment Purchase Agreement.

"**2020 Installment Purchase Agreement**" has the meaning provided in the recitals hereto.

"**2020 Indenture**" means that certain Indenture of Trust, dated January 1, 2020, between the Borrower and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"**2021A Bonds**" means the Union Sanitary District Financing Authority Revenue Bonds, Series 2021A, issued pursuant to the 2021 Indenture, originally issued in the aggregate principal amount of $99,505,000, payable from the 2021 Installment Payments.

"**2021 Installment Payments**" means the installment payments scheduled to be paid by the District under the 2021 Installment Purchase Agreement.

"**2021 Installment Purchase Agreement**" has the meaning provided in the recitals hereto.

"**2021 Indenture**" means that certain Indenture of Trust, dated July 1, 2021, between the Borrower and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"**Acceptable Credit Rating**" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge, a Credit Facility, or a repurchase agreement, 'A+', 'A1' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, 'A', 'A2' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"**Act**" means the Act as defined in the recitals hereto.

"**Additional Obligations**" means Additional Senior Obligations and Additional Subordinate Obligations.

"**Additional Construction Contract"** means each Construction Contract entered into after the Effective Date.

"**Additional Senior Obligations**" means any Senior Obligations permitted under Section 18(a) (*Negative Covenants of the District – Additional Obligations*), which Senior Obligations are issued or incurred on or after the Effective Date.

"**Additional Subordinate Obligations**" means any Subordinate Obligations permitted under Section 18(a) (*Negative Covenants of the District – Additional Obligations*), which Subordinate Obligations are issued or incurred on or after the Effective Date.

"**Administrator**" has the meaning provided in the preamble hereto.

"**Agreement**" has the meaning provided in the preamble hereto.

"**Anticipated WIFIA Loan Disbursement Schedule**" means the schedule set forth in **Exhibit B** (*Anticipated WIFIA Loan Disbursement Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(d) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

"**Anti-Corruption Laws**" means all laws, rules and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption.

"**Anti-Money Laundering Laws**" means all U.S. and other applicable laws, rules and regulations of any jurisdiction from time to time concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

"**Application**" has the meaning provided in the recitals hereto.

"**Authority Revenues**" means all WIFIA Installment Payments received by the Borrower pursuant to or with respect to the WIFIA Installment Purchase Agreement and all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder or thereunder.

"**Bank Secrecy Act**" means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

"**Bankruptcy Related Event**" means, with respect to either the Borrower or the District, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of either the Borrower or the District or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for either the Borrower or the District or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the

foregoing shall be entered; (b) (i) either the Borrower or the District shall apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) either the Borrower or the District shall generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) (A) solely with respect to the District, the District shall fail to make a WIFIA Installment Payment in accordance with the provisions of the WIFIA Installment Purchase Agreement and such failure is not cured within thirty (30) days following notification by the WIFIA Lender or the Borrower of failure to make such payment or (B) solely with respect to the Borrower, the Borrower shall fail to make a payment of WIFIA Debt Service in accordance with the provisions of Section 8 (*Payment of Principal and Interest*) and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) either the Borrower or the District shall make a general assignment for the benefit of creditors, (v) either the Borrower or the District shall consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) either the Borrower or the District shall commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) either the Borrower or the District shall file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) either the Borrower or the District shall take any action for the purpose of effecting any of the foregoing; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Gross Revenues or Authority Revenue may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Gross Revenues or Authority Revenues may be sold or otherwise disposed of pursuant to a sale or disposition of such Gross Revenues or Authority Revenues in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by the holders of Obligations, funds on deposit in any of the District's funds or accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under any Obligation Document for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of this Agreement.

"**Base Case Financial Model**" means a financial model prepared by the District forecasting the capital costs of the Wastewater System (including the Project) and the rates, revenues, operating expenses and major maintenance requirements of the Wastewater System for the Forecast Period and based upon assumptions and methodology provided by the District and acceptable to the WIFIA Lender as of the Effective Date, which model shall be provided to the WIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format requested by the WIFIA Lender.

"**Bonds**" means all revenue bonds or notes of the District that are authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the 2020 Installment Payments and 2021 Installment Payments and which are secured by a pledge of and lien on Gross Revenues.

"**Borrower**" has the meaning provided in the preamble hereto.

"**Borrower Closing Certificate**" has the meaning provided in Section 11(a)(ix) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

"**Borrower Event of Default**" has the meaning provided in Section 21(a) (*Events of Default*).

"**Borrower Financial Statements**" means the audited income statement and balance sheet of the Borrower as of the end of the Borrower Fiscal Year and the related audited statements of operations and of cash flow of the Borrower for such Borrower Fiscal Year; provided, however, that so long as the Borrower is included as a component unit of the District in the District Financial Statements in accordance with GAAP, the term "Borrower Financial Statements" shall refer to the description of the Borrower's financial activities, if any, included in the District Financial Statements.

"**Borrower Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the Borrower commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days' prior written notice to the WIFIA Lender in accordance with Section 16(c) (*Negative Covenants of the Borrower – Borrower Fiscal Year*).

"**Borrower Material Adverse Effect**" means a material adverse effect on (a) the Authority Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document to which the Borrower is a party, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the WIFIA Loan Documents on the Authority Revenues or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document to which the Borrower is a party.

"**Borrower Payment Default**" has the meaning provided in Section 21(a)(i) (*Events of Default and Remedies – Borrower Payment Default*).

"**Borrower's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 25 (*Borrower's Authorized Representative*).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York or San Francisco, California.

"**Capitalized Interest Period**" means the period from (and including) the Effective Date to (but excluding) the date that is six (6) months prior to the Debt Service Payment Commencement Date, subject to earlier termination as set forth in Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*).

"**Code**" means the Internal Revenue Code of 1986, or any successor tax code, as amended from time to time, and the applicable regulations proposed or promulgated thereunder.

"**Congress**" means the Congress of the United States of America.

"**Construction Contract**" means any prime contract entered into by the District with respect to the Project that involves any construction activity (such as demolition, site preparation, civil works construction, installation, remediation, refurbishment, rehabilitation, or removal and replacement services). For the avoidance of doubt, "Construction Contract" shall include each Existing Construction Contract and, upon the effectiveness thereof, each Additional Construction Contract.

"**Construction Contractor**" means any Person (other than the Borrower or the District) party to a Construction Contract.

"**Construction Period**" means the period from the Effective Date through the Substantial Completion Date.

"**Construction Period Servicing Fee**" has the meaning provided in Section 10(a)(ii) (*Fees and Expenses – Fees*).

"**Construction Schedule**" means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II** (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 20(c) (*Reporting Requirements of the District – Construction Reporting*) most recently approved by the WIFIA Lender.

"**Contracts**" means the 2020 Installment Purchase Agreement, 2021 Installment Purchase Agreement and all contracts of the District previously or hereafter authorized and executed by the District, the payments under which are payable from Net Revenues on a parity with the 2020 Installment Payments and 2021 Installment Payments and which are secured by a pledge and lien on Gross Revenues, but excluding contracts entered into for operation and maintenance of the Wastewater System.

"**Control**" means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "**Controlling**" and "**Controlled by**" have meanings correlative to the foregoing.

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted) or its successor, published by the Bureau of Labor Statistics and located (as of the Effective Date) at https://www.bls.gov/news.release/cpi.t01.htm.

"**Credit Facility**" means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing),

which is obtained by the Borrower or the District and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Permitted Obligations.

"**Debt Management Policy**" means that certain Debt Management Policy of the District, adopted by the Board of Directors of the District on January 13, 2020, as amended on July 26, 2021, and as it may be further amended by the District from time to time.

"**Debt Service**" means, for any period of calculation, the sum of:

(a) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(b) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);

(c) those portions of the principal amount of all outstanding term Bonds required to be paid in such period (but excluding Excluded Principal); and

(d) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Senior Obligations;

provided that, as to any such Senior Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Senior Obligation plus one percent (1%); and (2) the highest variable rate borne over the preceding three (3) months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Senior Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Senior Obligations

were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Senior Obligations or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Senior Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Senior Obligations constitute interest rate swap agreements or other paired obligations, the interest rate on such Senior Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Senior Obligation for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

"**Debt Service Payment Commencement Date**" means the earlier to occur of (a) if the Capitalized Interest Period ends pursuant to Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*) due to the occurrence of an Event of Default, the first March 1 or September 1 immediately following the end of the Capitalized Interest Period, or (b) the first March 1 or September 1 occurring closest to, but not later than, the fifth anniversary of the Substantial Completion Date.

"**Default**" means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Default Rate**" means an interest rate equal to the sum of (a) the WIFIA Interest Rate *plus* (b) two hundred (200) basis points.

"**Development Default**" means (a) the District abandons work or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to the Project or (b) the District fails to achieve Substantial Completion of the Project by December 31, 2029.

"**District**" has the meaning provided in the preamble hereto.

"**District Closing Certificate**" has the meaning provided in Section 11(a)(x) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

"**District Collateral**" means the Gross Revenues, all amounts that are on deposit in the Revenue Fund and amounts that are transferred from the Parity Debt Reserve to the Revenue Fund under the WIFIA Installment Purchase Agreement, the Acquisition Fund (including all amounts on deposit therein), the WIFIA Debt Service Account (including all amounts on deposit therein), and any other fund or account that is established or maintained pursuant to the WIFIA Installment

Purchase Agreement (including all amounts on deposit therein) (except the Parity Debt Reserve (other than those amounts which are transferred by the District from the Parity Debt Reserve to the Revenue Fund)).

"**District Event of Default**" has the meaning provided in Section 21(b) (*Events of Default and Remedies*).

"**District Financial Statements**" means the audited income statement and balance sheet of the District as of the end of the District Fiscal Year and the related audited statements of operations and of cash flow of the District for such District Fiscal Year.

"**District Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the District commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the District may hereafter adopt after giving thirty (30) days' prior written notice to the WIFIA Lender in accordance with Section 18(f) (*Negative Covenants of the District – District Fiscal Year*).

"**District Material Adverse Effect**" means a material adverse effect on (a) the Wastewater System, the Project or the Gross Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the District, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document to which the District is a party, (d) the ability of the District to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens on the District Collateral provided under the WIFIA Loan Documents to which the District is a party or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document to which the District is a party.

"**District Payment Default**" has the meaning provided in Section 21(b)(i) (*Events of Default and Remedies – District Payment Default*).

"**District's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 26 (*District's Authorized Representative*).

"**Dollars**" and "**$**" means the lawful currency of the United States of America.

"**EBDA**" means the East Bay Dischargers Authority, a joint exercise of powers agency created pursuant to the EBDA Joint Powers Agreement.

"**EBDA Joint Powers Agreement**" means the EBDA Joint Exercise of Powers Agreement dated February 15, 1974, as amended, as further amended and restated by the East Bay Dischargers Authority Amended and Restated Joint Powers Agreement, dated as of July 1, 2020 to become effective on July 1, 2020, each among the parties listed therein, as may be further amended and supplemented from time-to-time in accordance with the terms thereof.

"**Effective Date**" means the date of this Agreement.

"**Eligible Project Costs**" means amounts in the Project Budget (as of the Effective Date) approved by the WIFIA Lender, which are paid by or for the account of the District, as agent of

the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with the Project (including, as applicable, Project expenditures incurred prior to the receipt of WIFIA credit assistance, or the repayment of amounts borrowed to make such expenditures prior to the receipt of WIFIA credit assistance), which shall arise from the following:

(a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, and replacement activities;

(c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to Section 3905(8) of Title 33 of the United States Code), construction contingencies, and acquisition of equipment; or

(d) capitalized interest (with respect to Obligations other than the WIFIA Loan) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided that Eligible Project Costs must be consistent with all other applicable federal law, including the Act.

"**Eligible Project Costs Documentation**" has the meaning provided in Section 1 of **Exhibit D-1** (*Requisition Procedures*).

"**EMMA**" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended, and its successors.

"**Environmental Laws**" has the meaning provided in Section 13(o) (*Representations and Warranties of the District – Environmental Matters*).

"**EPA**" means the United States Environmental Protection Agency.

"**Event of Default**" means any District Event of Default or any Borrower Event of Default.

"**Event of Loss**" means any event or series of events that causes any portion of the Wastewater System to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a casualty, a failure of title, or any loss of such property through eminent domain.

"**Excluded Principal**" means each payment of principal of applicable Obligations for which there is on file with the WIFIA Lender (i) a certificate of an Independent Municipal Consultant to the effect that such Obligation is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than 60 months and (ii) a certificate of the District's

Authorized Representative to the effect that the District intends to pay such principal from the proceeds of Obligations or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Obligations or the obligation of the District to pay such Obligations from Net Revenues.

"**Existing Construction Contracts**" means each Construction Contract existing as of the Effective Date, as set forth in Part A of **Schedule 13(m)** (*Construction Contracts*).

"**Existing Indebtedness**" means all (a) Obligations and indebtedness of the District and (b) indebtedness of the Borrower, in each case that has been issued or incurred prior to the Effective Date, as listed and described in **Schedule III** (*Existing Indebtedness*).

"**Existing Senior Obligations**" means the indebtedness of the District listed and described in Part A of **Schedule III** (*Existing Indebtedness*).

"**Existing Subordinate Obligations**" means the Subordinate Obligations of the District listed and described in Part B of **Schedule III** (*Existing Indebtedness*).

"**Federal Fiscal Year**" means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

"**Federal Securities**" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

"**Final Disbursement Date**" means the earliest of (a) the date on which the WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current Anticipated WIFIA Loan Disbursement Schedule; (c) the date on which the Borrower has certified to the WIFIA Lender that it will not request any further disbursements under the WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of the WIFIA Loan in accordance with Section 21 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

"**Final Maturity Date**" means the earlier of (a) March 1, 2063 (or such earlier date as is set forth in an updated **Exhibit F** (*WIFIA Debt Service*) pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*)); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

"**Fitch**" means Fitch Ratings, Inc., or any successor thereto.

"**Flow of Funds**" means the requirements specified in Section 5.02 (*Allocation of Gross Revenues*) of the WIFIA Installment Purchase Agreement.

"**Flow of Funds Following Acceleration**" means the requirements specified in [Section 8.02 (*Application of Funds Upon Acceleration*)] of the WIFIA Installment Purchase Agreement.

"**Forecast Period**" means, as of any date, the time period with the later ending date of the following: (a) the time period from and including the current District Fiscal Year and each of the immediately succeeding five (5) District Fiscal Years and (b) the time period from and including the current District Fiscal Year and ending on the last date of the forecast periods covered in the District's currently effective capital improvement plan for the Wastewater System.

"**GAAP**" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or of any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

"**Government**" means the United States of America and its departments and agencies.

"**Governmental Approvals**" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

"**Governmental Authority**" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"**Gross Revenues**" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, including, without limiting the generality of the foregoing:

(a) rates and charges collected by the District on the Alameda County, California tax roll in accordance with Section 5473 et.seq. of the Health and Safety Code (or any successor provisions thereto);

(b) all other income, rents, rates, fees, charges or other moneys derived by the District through the facilities of or in the conduct or operation of the business of the Wastewater System;

(c) the proceeds of any stand-by or availability charges, development fees and connection charges collected by the District; and

(d) the earnings on and income derived from the investment of amounts described in clauses (a), (b) and (c) above and from District reserves;

but excluding:

(i) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District;

(ii) any proceeds of taxes or assessments which are restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued; and

(iii) gain or loss on the sale of any capital assets as permitted hereby.

"Gross Revenues" also include all amounts transferred from the Parity Debt Reserve to the Revenue Fund in accordance with the WIFIA Installment Purchase Agreement. "Gross Revenues" do not include any amounts transferred from the Revenue Fund to the Parity Debt Reserve during any District Fiscal Year in accordance with the WIFIA Installment Purchase Agreement.

"**Hedging Agreement**" means (a) any ISDA Master Agreement(s) and any related credit support annex, schedules and confirmations, to be entered into by the District or the Borrower on behalf of the District and a Hedging Bank, (b) any other agreement entered into, or to be entered into, by the District or the Borrower and a Hedging Bank for a Hedging Transaction, and (c) any other documentation directly relating to the foregoing.

"**Hedging Bank**" means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and its permitted successors (to the extent such successors are also Qualified Hedge Providers).

"**Hedging Transaction**" means any interest rate protection agreement, interest rate swap transaction, interest rate "cap" transaction, interest rate future, interest rate option or other similar interest rate hedging arrangement commonly used in loan transactions to hedge against interest rate increases; provided that in no event shall any such transaction be for any speculative purpose.

"**Indemnitee**" has the meaning provided in Section 37 (*Indemnification*).

"**Independent Certified Public Accountant**" means any firm of certified public accountants that is appointed by the District, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"**Independent Municipal Consultant**" means a municipal advisor or firm of such municipal advisors appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto; and (4) is registered as a "municipal advisor," as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

"**Insolvency Laws**" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq*., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"**Interest Component**" means (a) with respect to a WIFIA Installment Payment, the interest component of such WIFIA Installment Payment due and payable on the applicable WIFIA Installment Payment Date, which relates to the interest component of the corresponding payment on the WIFIA Note as set forth on the Loan Amortization Schedule, as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement, and (b) with respect to the aggregate WIFIA Installment Payments, all payments of the interest components of the WIFIA Installment

Payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments on the WIFIA Note under Section 8 (*Payment of Principal and Interest*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement, as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement.

"**Interest Payment Date**" means each March 1 and September 1, commencing on the Debt Service Payment Commencement Date.

"**Interim Financing**" means interim bond anticipation notes, commercial paper or other short-term temporary financing, in each case with a redemption or maturity occurring on or up to one (1) year following the Projected Substantial Completion Date in effect as of the Effective Date.

"**Investment Grade Rating**" means a public rating no lower than 'BBB-', 'Baa3', 'bbb-', 'BBB (low)', from a Nationally Recognized Rating Agency.

"**Investment Policy**" means that certain Investment Policy of the District, adopted by the Board of Directors of the District in February 2021, as may be amended by the District from time to time.

"**ISDA Master Agreement**" means a master agreement, entered into by the District or the Borrower and a Hedging Bank, in the form published by the International Swaps and Derivatives Association, Inc.

"**JPA Act**" has the meaning provided in the recitals hereto.

"**JPA Agreement**" means the Joint Exercise of Powers Agreement, dated January 13, 2020, by and between the District and California Municipal Finance Authority, pursuant to which the Borrower is established, as such JPA Agreement may be amended and supplemented from time-to-time in accordance therewith

"**Lien**" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"**Loan Amortization Schedule**" means the Loan Amortization Schedule reflected in the applicable column of **Exhibit F** (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

"**Manager**" means the General Manager/Chief Executive Officer of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

"**Material Adverse Effect**" means a material adverse effect on (a) the Wastewater System, the Project, the Gross Revenues or the Authority Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of either the Borrower or the District, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document, (d) the ability of either the Borrower or the District to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the WIFIA Loan Documents on District Collateral or the Authority Revenues or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document.

"**Moody's**" means Moody's Investors Service, Inc. or any successor thereto.

"**Nationally Recognized Rating Agency**" means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

"**NEPA**" means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"**NEPA Determination**" means the [_____] for the Project issued by EPA on [_____] in accordance with NEPA.

"**Net Proceeds**" means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

"**Net Revenues**" means for any District Fiscal Year, the Gross Revenues for such District Fiscal Year less the Operation and Maintenance Costs for such District Fiscal Year.

"**Non-Debarment Certificate**" means a certificate, signed by the Borrower's Authorized Representative or the District's Authorized Representative, as applicable, as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters with respect to the Borrower or the District, as applicable, and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995), substantially in the form attached hereto as **Exhibit C** (*Form of Non-Debarment Certificate*).

"**Non-Lobbying Certificate**" means a certificate, signed by the Borrower's Authorized Representative or the District's Authorized Representative, as applicable, with respect to the prohibition on the use of appropriated funds for lobbying pursuant to 49 C.F.R. § 20.100(b), substantially in the form attached hereto as **Exhibit E** (*Form of Non-Lobbying Certificate*).

"**Obligation Document**" means any indenture, bond, credit agreement, note, reimbursement agreement, letter of credit, guarantee, Hedging Agreement, Credit Facility, or any other agreement, instrument or document pursuant to which any Obligation is incurred by the District and any of the foregoing entered into by the Borrower in connection with Obligations of the District.

"**Obligations**" means, collectively, the Senior Obligations and the Subordinate Obligations.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**Operating Period Servicing Fee**" has the meaning provided in Section 10(a)(iii) (*Fees and Expenses – Fees*).

"**Operation and Maintenance Costs**" means: (i) costs spent or incurred for maintenance and operation of the Wastewater System calculated in accordance with GAAP, including (among other things) the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the WIFIA Installment Purchase Agreement, the 2020 Installment Purchase Agreement, the 2020 Indenture, the 2021 Installment Purchase Agreement, the 2021 Indenture, or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (ii) costs allocable to the District under the EBDA Joint Powers Agreement which constitutes maintenance and operation costs of the EBDA calculated on accordance with GAAP; but excluding in all cases (x) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, (y) all capital charges, and (z) all amounts allocable to the District under the EBDA Joint Powers Agreement for capital costs thereof, including principal and interest on any bonds, notes or other evidence of indebtedness of EBDA.

"**Organizational Documents**" means (a) with respect to the District, Section 6400 et. seq. of the Health and Safety Code of the State of California, and (b) with respect to the Borrower, the JPA Act and the JPA Agreement.

"**Outstanding**" means, with respect to Obligations, Obligations that have not been cancelled or legally defeased or discharged.

"**Outstanding WIFIA Loan Balance**" means (a) the aggregate principal amount of the WIFIA Loan drawn by the Borrower *plus* (b) capitalized interest added to the principal balance of the WIFIA Loan *minus* (c) the aggregate principal amount of the WIFIA Loan repaid by the Borrower, as determined in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

"**Parity Debt Reserve**" means the fund by that name that is required to be maintained pursuant to the WIFIA Installment Purchase Agreement.

"**Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

"**Payment Date**" means each Interest Payment Date and each Principal Payment Date.

"**Payment Default**" means any Borrower Payment Default or any District Payment Default.

"**Permitted Investment**" means any of the following which at the time are legal investments under the laws of the State for moneys held hereunder and then proposed to be invested therein:

(a) Federal Securities;

(b) for all purposes, including defeasance investments in refunding escrow accounts: (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (ii) below); (ii) direct, non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; (iii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series); (iv) Resolution Funding Corp. strips (only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable); (v) Pre-refunded municipal bonds rated "AAA" by S&P and Fitch. If however, the issue is only rated by S&P (i.e., there is no Fitch rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA" rated pre-refunded municipals to satisfy this condition; and (vi) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (A) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership; (B) Farmers Home Administration: Certificates of beneficial ownership; (C) Federal Financing Bank; (D) General Services Administration: Participation Certificates; (E) U.S. Maritime Administration: Guaranteed Title XI financing; and (F) U.S. Department of Housing and Urban Development: Project Notes, New Communities Debentures — U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds — U.S. government guaranteed public housing notes and bonds; and

(c) for all purposes other than defeasance investments in refunding escrow accounts:

(i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(ii) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America: Farmers Home Administration; General Services Administration; United States Maritime Administration; Government National Mortgage Association; United States Department of Housing & Urban Development; Federal Financing Bank; and Federal Housing Administration Debentures;

(iii) obligations of any of the following federal agencies which obligations do not represent the full faith and credit of the United States of America, including the Federal Home Loan Bank System; Federal Home Loan Mortgage Corporation (FHLMC); Federal National

Mortgage Association (FNMA); Student Loan Marketing Association; Resolution Funding Corp.; and Farm Credit System;

(iv) commercial paper which is rated at the time of purchase in the single highest classification, "A-1" by S&P and "F-1" by Fitch;

(v) investments in a money market fund rated "AAAm", "AAAm-G" or "AA-m" or better by S&P, or "AAA-mmf", or "AAA-mf" or better by Fitch, including any fund for which the Trustee or an affiliate acts as investment advisor or provides other services;

(vi) certificates of deposit secured at all times by collateral described in clauses (a) and/or (b)(i) above; provided that such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks;

(vii) Certificates of deposit, savings accounts, deposit accounts or money market deposits;

(viii) Investment Agreements, including GICs, Forward Purchase Agreements and Reserve Fund Put Agreements;

(ix) Federal Funds or bankers acceptances with a maximum term of one year of any bank, which has an unsecured, uninsured and unguaranteed obligation rating of "F1" or "A" or better by Fitch and "A-1" or "A" or better by S&P;

(x) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the District and the transfer of cash from the District to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the District in exchange for the securities at a specified date, subject to the following:

A. Repurchase agreements must be between the District and a dealer bank or securities firm which is

(1) A primary dealer on the Federal Reserve reporting dealer list which is rated "A" or better by S&P and Fitch; or

(2) A bank rated "A" or above by S&P and Fitch.

B. The written contract must include the following:

(1) Securities which are acceptable for transfer are: (x) Direct U.S. Government securities; or (y) Federal agency securities that are backed by the full faith and credit of the U.S. government (and FNMA and FHLMC);

(2) The term of the repurchase agreement may be up to 30 days;

(3) The collateral must be delivered to the District before/simultaneously with payment (perfection by possession of certificates securities).

(4) The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the District to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of the securities held as collateral slips below the 104% of the value of the cash transferred by the District, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%,

C. Legal opinion which must be delivered to the District: the repurchase agreement meets guidelines under state law for legal investment of public funds;

(xi) The Local Agency Investment Fund of the State of California created pursuant to Section 16429.1 of the California Government Code;

(xii) shares of beneficial interests in investments purchased by the Investment Trust of California, doing business as CaITRUST, a joint powers authority created pursuant to Section 6509,7 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

(xiii) Unsecured certificates of deposit, time deposits, money market deposits, demand deposits and bankers' acceptances of any bank the short term obligations of which are rated on the date of purchase "A-1" or better by S&P, or "Fl" or better by Fitch.

"**Permitted Liens**" means:

(a) Liens imposed pursuant to the WIFIA Loan Documents and the other Obligation Documents;

(b) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 15(g) (*Affirmative Covenants of the Borrower – Material Obligations; Payment of Claims*) and Section 17(k) (*Affirmative Covenants of the District – Material Obligations; Payment of Claims*);

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 15(g) (*Affirmative Covenants of the Borrower – Material Obligations; Payment of Claims*) and Section 17(k) (*Affirmative Covenants of the District – Material Obligations; Payment of Claims*);

(d) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(e) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(f) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 21(a)(v) (*Events of Default and Remedies – Borrower Material Adverse Judgment*) or Section 21(b)(vi) (*Events of Default and Remedies – District Material Adverse Judgment*); and

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that, in any case, do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of either the Borrower or the District.

"**Permitted Obligations**" means:

(a) Existing Indebtedness;

(b) the WIFIA Loan;

(c) Additional Senior Obligations that satisfy the requirements of Section 18(a) (*Negative Covenants of the District – Indebtedness*) and of the other WIFIA Loan Documents;

(d) Additional Subordinate Obligations (including obligations of the District subordinate to the WIFIA Installment Payments) that satisfy the applicable requirements of Section 18(a) (*Negative Covenants of the District – Indebtedness*) and of the other WIFIA Loan Documents; and

(e) indebtedness incurred in respect of Qualified Hedges.

"**Person**" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"**Principal Component**" means (a) with respect to a WIFIA Installment Payment, the principal component of such WIFIA Installment Payment due and payable on the applicable WIFIA Installment Payment Date, which relates to the principal component of the corresponding payment on the WIFIA Note as set forth on the Loan Amortization Schedule, and (b) with respect to the aggregate WIFIA Installment Payments, all payments of the principal components of the WIFIA Installment Payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments on the WIFIA Note under Section 8 (*Payment of Principal and Interest*) of this Agreement.

"**Principal Payment Date**" means each March 1, commencing on the first March 1 occurring on or after the Debt Service Payment Commencement Date..

"**Project**" means certain improvements to the District's Alvarado Wastewater Treatment Plant, which consist of the following components:

(a) aeration basin modifications and the replacement of existing buildings, including construction of a new campus building;

(b) construction of a secondary clarifier and new chlorine disinfection and effluent pumping facilities; and

(c) retrofitting of the existing secondary clarifiers for plant equalization and storage.

"**Project Budget**" means the budget for the Project attached to this Agreement as **Schedule I** (*Project Budget*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the WIFIA Lender.

"**Projected Substantial Completion Date**" means June 30, 2028, as such date may be adjusted in accordance with Section 20(c) (*Reporting Requirements of the District – Construction Reporting*).

"**Public Benefits Report**" has the meaning provided in Section 20(e) (*Reporting Requirements of the District – Public Benefits Report*).

"**Qualified Hedge**" means, to the extent from time to time permitted by law, with respect to Permitted Obligations any Hedging Transaction entered into with a Qualified Hedge Provider.

"**Qualified Hedge Provider**" means any bank or trust company, or an affiliate thereof, authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof, that has an Acceptable Credit Rating.

"**Rate Covenant**" means the requirements specified in Section 17(a)(i) (*Affirmative Covenants of the District – Rate Covenant*).

"**Related Documents**" means the WIFIA Loan Documents, the Construction Contracts and each other Obligation Document.

"**Requisition**" has the meaning provided in Section 4(a) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

"**Revenue Fund**" means the fund by that name maintained pursuant to the WIFIA Installment Purchase Agreement.

"**S&P**" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

"**Sanctioned Country**" means, at any time, a country or territory which is itself the subject or target of any Sanctions.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country, or (c) any Person owned or controlled by any such Person or Persons.

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the Government, including those administered by OFAC or the U.S. Department of State.

"**Senior Obligations**" means Existing Senior Obligations and Additional Senior Obligations, if any, including all Bonds and Contracts (and the obligations of the District thereunder).

"**Servicer**" means such entity or entities as the WIFIA Lender shall designate from time to time to perform, or assist the WIFIA Lender in performing, certain duties hereunder.

"**Servicing Fee**" means the Servicing Set-Up Fee and any Construction Period Servicing Fee or Operating Period Servicing Fee.

"**Servicing Set-Up Fee**" has the meaning provided in Section 10(a)(i) (*Fees and Expenses – Fees*).

"**State**" has the meaning provided in the preamble hereto.

"**Subordinate Debt Service**" means debt service on Subordinate Obligations calculated in the same manner as under the definition of Debt Service except with respect to Subordinate Obligations instead of Senior Obligations.

"**Subordinate Obligations**" means all obligations of the District which are secured by a pledge of and lien on the Gross Revenues and are fully subordinated in right of payment and right of security only to the Senior Obligations, including the Existing Subordinate Obligations and any Additional Subordinate Obligations.

"**Substantial Completion**" means, with respect to the Project, the stage at which the Project is able to perform the functions for which the Project is designed.

"**Substantial Completion Date**" means the date on which the District certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion has occurred.

"**Tender Option Obligations**" means any obligation which by its terms may be tendered by and at the option of the holder thereof for payment prior to the stated maturity or redemption date thereof to either the Borrower, the District, the trustee under any Obligation Document, a tender agent or a remarketing agent.

"**Total Project Costs**" means (a) the costs paid or incurred or to be paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the WIFIA Loan Documents to be paid into any fund or account upon the incurrence of the WIFIA Loan or any other Obligation, in each case in respect of the Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any obligations of the District in connection with the Project (other than the WIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the District for the commencement of operation of the Project, including general administrative expenses and overhead of the District.

"**Trustee**" means U.S. Bank National Association, acting in its capacity as Trustee under and pursuant to the 2020 Indenture and 2021 Indenture, and its successors and assigns.

"**Uncontrollable Force**" means any cause beyond the control of the Borrower and the District, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that neither the Borrower nor the District shall be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower or the District and neither the Borrower nor the District controls the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower or the District.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code, as in effect from time to time in the State.

"**Updated Financial Model**" means the Base Case Financial Model, updated in accordance with Section 20(a) (*Reporting Requirements of the District – Updated Financial Model*).

"**Variable Interest Rate**" means a variable interest rate to be borne by any Obligations. The method of computing such variable interest rate shall be specified in the Obligation Document pursuant to which such Obligations are incurred. Such Obligation Document shall also specify either (a) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective.

"**Variable Interest Rate Obligations**" means Obligations which bear a Variable Interest Rate but does not include any Obligations for which the interest rate has been fixed during the remainder of the term thereof to maturity; *provided* that a Permitted Obligation bearing a fixed rate of interest shall be deemed a Variable Interest Rate Obligation to the extent that the District

or the Borrower has entered into a Hedging Transaction pursuant to which the District or the Borrower, as applicable, is obligated to pay a floating rate of interest and receives a fixed rate of interest and shall be deemed to bear interest at the lesser of (a) the then-current variable rate *plus* such additional basis points as may be reasonably determined by the District or the Borrower, as applicable, (but not less than 100 basis points) as may reasonably reflect future rate changes or (b) the maximum interest rate, if any, payable pursuant to such Hedging Transaction.

"**Wastewater Service**" means the wastewater collection, conveyance, treatment and disposal service that is made available or provided by the Wastewater System including but not limited to recycled water service.

"**Wastewater System**" means the whole and each and every part of the wastewater collection, conveyance, treatment and disposal system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater system or any part thereof hereafter acquired or constructed, including recycled water facilities of the District and the District's interest in the facilities of the EBDA pursuant to the EBDA Joint Powers Agreement and related agreements.

"**WIFIA**" has the meaning provided in the recitals hereto.

"**WIFIA Borrower Documents**" means this Agreement, the WIFIA Note, and the WIFIA Installment Purchase Agreement.

"**WIFIA Borrower Resolution**" means Resolution No.2939, adopted by the Borrower on November 8, 2021, authorizing the execution and delivery of this Agreement, the WIFIA Installment Purchase Agreement, and the WIFIA Note and certain related actions by the Borrower in connection with the issuance of the WIFIA Loan.

"**WIFIA Debt Service**" means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on **Exhibit F** (*WIFIA Debt Service*) and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*).

"**WIFIA Debt Service Account**" means the WIFIA Debt Service Account established and maintained by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, pursuant to Section 17(i) (*Affirmative Covenants of the District – WIFIA Debt Service Account*).

"**WIFIA District Documents**" means this Agreement and the WIFIA Installment Purchase Agreement.

"**WIFIA District Resolution**" means Resolution No. 2940, adopted by the District on November 8, 2021, authorizing the execution and delivery of this Agreement and the WIFIA Installment Purchase Agreement and certain related actions by the District in connection therewith.

"**WIFIA Installment Payments**" individually, means with respect to any WIFIA Installment Payment Date occurring on or after the Debt Service Payment Commencement Date, the sum of the Principal Component and the Interest Component (as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement) due and payable on such WIFIA Installment Payment Date and "**WIFIA Installment Payments**" collectively, means all payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments under Section 8 (*Payment of Principal and Interest*) of this Agreement, including any amounts payable upon delinquent installments and including any prepayment thereof under the WIFIA Installment Purchase Agreement. The Principal Component and Interest Component of each WIFIA Installment Payment shall correspond in all respects to the principal payment and interest payment, respectively, due on the WIFIA Note on the corresponding Payment Date.

"**WIFIA Installment Payment Date**" means, with respect to any Payment Date, the fifth (5th) Business Day immediately preceding that Payment Date.

"**WIFIA Interest Rate**" has the meaning provided in Section 6 (*Interest Rate*).

"**WIFIA Installment Purchase Agreement**" has the meaning provided in the recitals.

"**WIFIA Lender**" has the meaning provided in the preamble hereto.

"**WIFIA Lender's Authorized Representative**" means the Administrator and any other Person who shall be designated as such pursuant to Section 27 (*WIFIA Lender's Authorized Representative*).

"**WIFIA Loan**" means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed $[249,660,876] (excluding capitalized interest) *plus* any interest capitalized pursuant to Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*), to be used in respect of Eligible Project Costs.

"**WIFIA Loan Documents**" means this Agreement, the WIFIA Note, the WIFIA Installment Purchase Agreement and the WIFIA Resolutions.

"**WIFIA Note**" means the note delivered by the Borrower in substantially the form of **Exhibit A** (*Form of WIFIA Note*).

"**WIFIA Resolutions**" means, collectively, the WIFIA District Resolution and the WIFIA Borrower Resolution.

Section 2. Interpretation.

(a) Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(c) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(d) The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(e) Whenever the Borrower's knowledge or the District's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or the phrase "to the District's knowledge" or a similar phrase is used in this Agreement, the Borrower's knowledge or the District's knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge or the best of the District's knowledge, as applicable, after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns.

(f) Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement.

(g) The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(h) The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(i) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 36 (*Notices*) and signed by a duly authorized representative of such party.

(k) References to "disbursements of WIFIA Loan proceeds" or similar phrasing shall be construed as meaning the same thing as "paying the purchase price of the WIFIA Note".

(l) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of the WIFIA Loan, it is intended that such change be reflected in the WIFIA Note. Whenever there is a mandatory or optional prepayment of the WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the WIFIA Note.

ARTICLE II
THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed $[249,660,876] (excluding capitalized interest). WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*).

Section 4. Disbursement Conditions; Quarterly Approval of Eligible Project Costs.

(a) Pursuant to the WIFIA Installment Purchase Agreement, the Borrower has appointed the District as its agent to request funds from time to time under this Agreement and the District has accepted such appointment and assumed all rights, liabilities, duties and responsibilities of the Borrower under this Agreement regarding the requisition of funds from time to time under this Agreement. WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrower in connection with the Project, including for the purpose of paying or redeeming, in whole or in part, amounts owed by the District or the Borrower under any Interim Financing the proceeds of which were applied to pay Eligible Project Costs. If the Borrower intends to utilize the WIFIA Loan proceeds to make progress payments for Project construction work performed under the Construction Contracts, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall demonstrate to the satisfaction of the WIFIA Lender that such progress payments are commensurate with the cost of the work that has been completed. Each disbursement of the WIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in **Appendix One** (*Form of Requisition*) to **Exhibit D-1** (*Requisition Procedures*), along with all documentation and other information required thereby, submitted by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to, and approved by, the WIFIA Lender, all in accordance with the procedures of **Exhibit D-1** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*); provided that no disbursements of WIFIA Loan proceeds shall be made after the Final Disbursement Date.

(b) Each Requisition shall include a certification by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, certifying as to the following: (i) whether reimbursement or payment is being requested with respect to (A) Eligible Project Costs that have been submitted by it pursuant to Section 4(e) and approved by the WIFIA Lender pursuant to Section 4(f) or (B) other Eligible Project Costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement; (ii) the amount for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of WIFIA Loan proceeds; and (iii) to the extent any Eligible Project Costs described

in clause (i)(B) above are included in the Requisition, that such Eligible Project Costs have not and will not be submitted by the District for approval pursuant to Section 4(e) and Section 4(f).

(c) The District shall deliver copies of each Requisition to the WIFIA Lender and the Servicer (if any) on or before the first (1st) Business Day of each month for which a disbursement is requested. If the WIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express WIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three** (*[Approval/Disapproval] of the WIFIA Lender*) to **Exhibit D-1** (*Requisition Procedures*). In no event shall disbursements be made more than once each month.

(d) At the time of any disbursement, the sum of all prior disbursements of WIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current Federal Fiscal Year set forth in the Anticipated WIFIA Loan Disbursement Schedule, as the same may be amended from time to time in accordance with the terms of this Agreement. Subject to this Section 4, any scheduled disbursement (as reflected in the Anticipated WIFIA Loan Disbursement Schedule) that remains undrawn at the end of any Federal Fiscal Year shall automatically roll forward to be available in the succeeding Federal Fiscal Year up to the last anticipated date of disbursement set forth in the Anticipated WIFIA Loan Disbursement Schedule, having the effect of automatically updating the Anticipated WIFIA Loan Disbursement Schedule without need for the WIFIA Lender's approval. The District may also request an amendment of the Anticipated WIFIA Loan Disbursement Schedule by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated WIFIA Loan Disbursement Schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted in the WIFIA Lender's sole discretion.

(e) On a quarterly basis, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall submit to the WIFIA Lender, and any Servicer, Eligible Project Costs Documentation, satisfactory to the WIFIA Lender in form and substance, with respect to any costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in respect of the Project (to the extent Eligible Project Costs Documentation with respect to such costs has not previously been provided to the WIFIA Lender) evidencing that such costs are Eligible Project Costs, or, if the District elects in any quarter not to submit Eligible Project Costs Documentation, a written statement indicating such election; provided that no such submission shall be required (x) before the date that is sixty (60) days after the Effective Date or (y) for any costs incurred prior to the Effective Date.

(f) The Eligible Project Costs Documentation and the related statement submitted pursuant to Section 4(e) shall contain sufficient detail to enable the WIFIA Lender to verify that any costs submitted by the District for reimbursement are Eligible Project Costs. Each time the District delivers Eligible Project Costs Documentation to the WIFIA Lender, and any Servicer, the District shall also deliver to such entities a certificate, substantially in the form of

Exhibit D-2 (*Certification of Eligible Project Costs Documentation*) and duly executed by the District's Authorized Representative.

(g) Within thirty (30) days following the receipt of the Eligible Project Costs Documentation and the accompanying statement, the WIFIA Lender shall deliver a notice to the District confirming (i) which Eligible Project Costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, set forth in the statement have been approved or denied (and, if denied, the reasons therefor) and (ii) the cumulative amount of Eligible Project Costs that have been approved with respect to the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement. Any approved amounts of Eligible Project Costs shall be disbursed at such time as the District submits a Requisition in respect of such approved amounts in accordance with Section 4(a), Section 4(b), and Section 4(c). The District shall not submit a Requisition that seeks reimbursement of Eligible Project Costs for which the related Eligible Project Costs Documentation was not delivered to the WIFIA Lender and the Servicer (if any) at least one (1) month prior to the date such Requisition is submitted.

Section 5. Term. The term of the WIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance (and for calculating the corresponding Interest Components of the WIFIA Installment Payments) (the "**WIFIA Interest Rate**") shall be [____] and [____] hundredths percent ([____]%) per annum, as adjusted to include interest at the Default Rate as set forth below, as applicable. Interest will accrue and be computed on the Outstanding WIFIA Loan Balance (and the corresponding unpaid Principal Components of the WIFIA Installment Payments) (as well as on any past due interest or Interest Components of the WIFIA Installment Payments) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding WIFIA Loan Balance (and the District shall pay the Interest Components of the WIFIA Installment Payments) at the Default Rate, (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment and (b) in the case of any other Event of Default, from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured or waived (if applicable) in accordance with the terms of this Agreement and (ii) the Outstanding WIFIA Loan Balance (and the corresponding unpaid Principal Components of the WIFIA Installment Payments) have been irrevocably paid in full by the Borrower in immediately available funds. For the avoidance of doubt, interest on the WIFIA Loan and the WIFIA Note shall accrue and be payable only on those amounts for which a Requisition has been submitted and funds (or such portion of funds as have been approved by the WIFIA Lender) have been disbursed to the Borrower for use on the Project in accordance with Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

Section 7. Security and Priority; Flow of Funds.

(a) Pursuant to the WIFIA Installment Purchase Agreement, as security for the WIFIA Installment Payments, and concurrently with the issuance and delivery of this Agreement,

the District has pledged, assigned and granted to the Borrower for its benefit, Liens on the District Collateral, including the Gross Revenues and the WIFIA Debt Service Account. The WIFIA Installment Payments are and shall (i) be secured by the Liens on the District Collateral, (ii) not be subordinate in right of payment (other than with respect to Operation and Maintenance Costs) or in right of security, during any period when a Bankruptcy Related Event has not occurred, to any Lien on any of the District Collateral other than (except as otherwise required by law) the Liens on any of the District Collateral for the benefit of the holders of the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations), and (iii) be *pari passu* in right of payment and right of security, during any period when a Bankruptcy Related Event has not occurred, with the Liens on any of the District Collateral for the benefit of the holders of the Subordinate Obligations. Upon the occurrence of a Bankruptcy Related Event, the WIFIA Installment Payments and the WIFIA Note shall be secured by a valid and binding pledge and Lien on the District Collateral on a parity with the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations) automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act. The District's obligations under the WIFIA Installment Purchase Agreement constitute (x) a Subordinate Obligation during any period when a Bankruptcy Related Event has not occurred and (y) a Senior Obligation during any period when a Bankruptcy Related Event has occurred.

(b) Except (i) for Permitted Liens, or (ii) to the extent otherwise provided in Section 7(a), the District Collateral shall be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, that is of equal rank with or senior to the pledge of the Borrower created under the WIFIA Loan Documents for the benefit of the WIFIA Lender, and all organizational, regulatory or other necessary action on the part of the District with respect to the foregoing has been duly and validly taken.

(c) The Borrower hereby unconditionally pledges and assigns to the WIFIA Lender and grants to the WIFIA Lender Liens for its benefit on (i) all of its right, title and interest to receive the Authority Revenues, (ii) all of its rights with respect to the WIFIA Debt Service Account and (iii) all of its rights and remedies to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder, in each case for the purpose of securing (x) the payment of all sums due and owing to the WIFIA Lender under this Agreement and (y) the observance, performance and discharge of each agreement, condition, covenant and term of the Borrower and the District hereunder and of the District under the WIFIA Installment Purchase Agreement. The District hereby consents to such pledge, assignment and grant. Said pledge shall constitute a lien on and security interest in such amounts and shall be valid and binding from and after the Effective Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Borrower, irrespective of whether such parties have notice hereof. Notwithstanding anything in this Agreement or any other WIFIA Loan Document to the contrary, the Borrower does not and shall not assign, and the WIFIA Lender does not and shall not assume, any obligation, duty or liability of the Borrower under the WIFIA Installment Purchase Agreement. The WIFIA Loan is and shall be secured by the Liens on the Authority Revenues. The Authority Revenues shall be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Loan. The WIFIA Debt Service Account shall be free

and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Installment Payments.

(d) The District shall not use any Gross Revenues to make any payments or satisfy any obligations other than in accordance with the Flow of Funds, the provisions of this Section 7 and the Related Documents and shall not apply any portion of the Gross Revenues in contravention of this Agreement or the other Related Documents. The District shall not use any amounts on deposit in the WIFIA Debt Service Account to make any payments or satisfy any obligations other than the payment of WIFIA Debt Service on the Borrower's behalf.

(e) The Borrower shall not use any Authority Revenues to make any payments or satisfy any obligations other than the payment of WIFIA Debt Service and other amounts payable to the WIFIA Lender hereunder and under the WIFIA Note.

(f) All Gross Revenues shall, immediately upon receipt thereof, be deposited by the District into the Revenue Fund. Amounts deposited in the Revenue Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds.

(g) Following the acceleration of amounts payable by the Borrower hereunder or payable by the District under the WIFIA Installment Purchase Agreement pursuant to Section 21(c) (*Events of Default and Remedies*), Section 21(d) (*Events of Default and Remedies*) or Section 21(e)(vi) (*Events of Default and Remedies*), amounts deposited in the Revenue Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds Following Acceleration.

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service.

(i) Pursuant to the WIFIA Installment Purchase Agreement, not later than each WIFIA Installment Payment Date, the District shall, from moneys in the Revenue Fund, transfer to the WIFIA Debt Service Account the WIFIA Installment Payment due and payable on such WIFIA Installment Payment Date. All WIFIA Installment Payments shall be paid directly by the District to the WIFIA Debt Service Account for the benefit of the WIFIA Lender. All WIFIA Installment Payments and any other amounts deposited into the WIFIA Debt Service Account shall be held by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in trust for the benefit of the WIFIA Lender until the immediately succeeding Payment Date, whereupon such money shall be applied to the payment of WIFIA Debt Service.

(ii) On each Payment Date occurring on or after the Debt Service Commencement Date, the Borrower shall pay, or the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall transfer from the WIFIA Debt Service Account on the Borrower's behalf, WIFIA Debt Service by making (A) semi-annual payments of interest on each Interest Payment Date, (B) annual payments of principal on each Principal Payment Date, and (C) payments of any other amounts on each other date on which payment thereof is required to be made hereunder (including the Final Maturity Date and any date on which payment is due by reason of the mandatory

redemption or prepayment or the acceleration of the maturity of the WIFIA Loan or otherwise); provided that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Payments of WIFIA Debt Service shall be made in the amounts and on the Payment Dates as set forth in **Exhibit F** (*WIFIA Debt Service*), as the same may be revised pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*), and shall be calculated by the WIFIA Lender in such manner that each such payment shall be approximately equal in amount, in order for the WIFIA Loan Balance to be reduced to $0 on the Final Maturity Date.

(iii) Notwithstanding anything herein to the contrary, the Outstanding WIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the WIFIA Loan and WIFIA Note are subject to mandatory redemption or prepayment prior to the maturity thereof or accelerated pursuant to Section 21 (*Events of Default and Remedies*)).

(b) Capitalized Interest Period. No payment of the principal of or interest on the WIFIA Loan is required to be made during the Capitalized Interest Period. Interest on amounts capitalized pursuant to this Section 8(b) shall commence on the date such interest is added to the principal balance of the WIFIA Loan (and corresponding WIFIA Note) during the Capitalized Interest Period. On each March 1 and September 1 occurring during the Capitalized Interest Period, interest accrued on the WIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding WIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the Borrower stating the Outstanding WIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; *provided, however*, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other WIFIA Loan Documents. Notwithstanding the foregoing, the Capitalized Interest Period shall end immediately upon written notification to the Borrower by the WIFIA Lender that an Event of Default has occurred, in which case the provisions of this Section 8(b) shall no longer apply and payments of principal and interest shall be currently due and payable in accordance with the terms hereof and interest shall no longer be capitalized. For purposes of this subsection, an Event of Default under Section 21(b)(v) (*Events of Default and Remedies – Cross Default with Obligation Documents*) shall be deemed to have occurred upon the occurrence of any nonpayment of principal of, interest on or redemption price of Obligations when due, regardless of whether the holders of the applicable Obligations or any trustee for the applicable obligations, or any legal order, has waived, permitted deferral of, or forgiven any such payment.

(c) WIFIA Note. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the Effective Date, the WIFIA Note substantially in the form of **Exhibit A** (*Form of WIFIA Note*), having a maximum principal amount (excluding capitalized interest) of $[249,660,876], bearing interest at the WIFIA Interest Rate and having principal and interest payable on the same dates set forth herein. Any payment in respect of the WIFIA Note shall be treated as a payment in respect of the WIFIA Loan and any prepayment of principal in respect of the WIFIA Loan shall be treated as a redemption in

respect of the WIFIA Note. Payments of amounts due under the WIFIA Note shall be secured as set forth in Section 7 (*Security and Priority; Flow of Funds*).

(d) Manner of Payment. The Borrower hereby assigns all its right and interest in and to the WIFIA Installment Payments to the WIFIA Lender and directs the District to transfer, on the Borrower's behalf, all amounts on deposit in the WIFIA Debt Service Account to the WIFIA Lender by wire transfer on or before each Payment Date in Dollars and in immediately available funds (without counterclaim, offset or deduction) in accordance with the payment instructions set forth in **Schedule IV-A** (*WIFIA Loan Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender; provided that neither the assignment of such rights by the Borrower nor such direction by the Borrower to the District with respect to payments hereunder shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party.

(e) Adjustments to Loan Amortization Schedule.

(i) The Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments) will be (A) increased on each occasion on which the WIFIA Lender disburses loan proceeds hereunder, as applicable, by the amount of such disbursement of loan proceeds; (B) increased on each occasion on which interest on the WIFIA Loan is capitalized pursuant to the provisions of Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*), by the amount of interest so capitalized; and (C) decreased upon each payment or prepayment of the Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments), by the amount of principal so paid (and the corresponding Principal Components of the WIFIA Installment Payments). The WIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower or the District, advise the Borrower or the District by written notice of the amount of the Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments) as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(ii) The WIFIA Lender is hereby authorized by the District and the Borrower to modify, and the District and the Borrower agree to be bound by such modifications, the Loan Amortization Schedule included in **Exhibit F** (*WIFIA Debt Service*) (and the corresponding schedule of WIFIA Installment Payments) from time to time, in accordance with the principles set forth below in this Section 8(e), to reflect (A) any change to the Outstanding WIFIA Loan Balance, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, and (C) such other information as the WIFIA Lender may determine is necessary for administering the WIFIA Loan, this Agreement, and the WIFIA Installment Purchase Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to the Loan Amortization Schedule (and the corresponding changes to the schedule of WIFIA Installment Payments) as a result of changes in the Outstanding WIFIA Loan Balance shall be applied to reduce future

payments due with respect to the WIFIA Loan in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*). Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** (*WIFIA Debt Service*) shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party. The WIFIA Lender shall provide the Borrower and the District with a copy of **Exhibit F** (*WIFIA Debt Service*) as revised, but no failure to provide or delay in providing the Borrower or the District with such copy shall affect any of the obligations of the Borrower or the District under this Agreement or the other WIFIA Loan Documents.

(f) WIFIA Loan Not District Indebtedness. The WIFIA Loan and the WIFIA Note are limited obligations of the Borrower, payable solely from the Authority Revenues, and do not constitute a debt of the members of the Borrower, the State or any of its political subdivisions (including the District), except the Borrower. Notwithstanding anything to the contrary set forth in this Agreement, the District is not a borrower with respect to the WIFIA Loan, the WIFIA Note, or this Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan or the WIFIA Note except for any payments on behalf of the Borrower contemplated in the WIFIA Installment Purchase Agreement and payments of fees and expenses described in Section 10 (*Fees and Expenses*). This Agreement does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

Section 9. Prepayment.

(a) Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds. The Borrower, or the District as agent of the Borrower, shall prepay the WIFIA Loan from and in the amount of any prepayments of the WIFIA Installment Payments received from the District pursuant to the WIFIA Installment Purchase Agreement and Section 17(f)(v) (*Affirmative Covenants of the District – Insurance; Net Proceeds*) or Section 17(t)(ii) (*Affirmative Covenants of the District – Eminent Domain Proceeds*). The amount of any such prepayment shall be equal to the portion of the Outstanding WIFIA Loan Balance required to be prepaid hereunder plus accrued interest thereon to the date of prepayment. All such prepayments shall be paid to the WIFIA Lender by the District as agent of the Borrower substantially concurrently with the receipt of such amount by the Borrower and applied against the Outstanding WIFIA Loan Balance in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*).

(b) Optional Prepayments. The Borrower (or the District as agent of the Borrower) may prepay the WIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided that such prepayments shall be in principal amounts of $500,000 or any integral multiple of $1.00 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender such principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, which shall be a Payment

Date unless otherwise agreed by the WIFIA Lender, and shall further include payment of all fees and expenses then due and payable hereunder and under the WIFIA Installment Purchase Agreement. Each prepayment of the WIFIA Loan pursuant to this Section 9(b) shall be made on such Payment Date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the WIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Each such optional prepayment of the WIFIA Loan shall be treated as an optional prepayment by the District of the corresponding unpaid Principal Components of the WIFIA Installment Payments, together with the unpaid Interest Components of the WIFIA Installment Payments accrued on the Principal Components of the WIFIA Installment Payments so prepaid to the date of such prepayment, and shall further include payment of all fees and expenses then due and payable hereunder and under the WIFIA Installment Purchase Agreement. Anything in this Section 9(b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(c) Borrower's Certificate. Each prepayment pursuant to this Section 9 shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(d) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire Outstanding WIFIA Loan Balance and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a mandatory or optional prepayment, the WIFIA Lender shall surrender the WIFIA Note to the Borrower or its representative at the principal office of the WIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of the WIFIA Loan, the WIFIA Lender may make a notation on **Exhibit F** (*WIFIA Debt Service*) indicating the amount of principal of and interest on the WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** (*WIFIA Debt Service*) shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or any other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party. All partial prepayments of principal shall be applied to reduce future payments due on the WIFIA Loan in inverse order of maturity. If such funds have not been so paid on the prepayment date, such principal amount of the WIFIA Loan shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 10. Fees and Expenses.

(a) Fees. The District shall pay, on behalf of the Borrower, to the WIFIA Lender:

(i) a servicing set-up fee equal to $15,970 (the "**Servicing Set-Up Fee**"), which shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan);

(ii) an annual construction period servicing fee equal to $15,970 (the "**Construction Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the Construction Period (including the Federal Fiscal Year during which the Substantial Completion Date occurs); provided that the initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan), in a pro-rated amount equal to $12,140[1]; and

(iii) an annual operating period servicing fee equal to $7,990 (the "**Operating Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15, beginning with the first November 15 following the end of the Federal Fiscal Year during which the Substantial Completion Date occurs, until (and including) the Final Maturity Date or such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement; provided that the Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which the Final Maturity Date (or such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement) occurs shall be equal to the pro-rata monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and the Final Maturity Date or, if applicable, such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the District of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. The District agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, within thirty (30) days after receipt of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal

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[1] **NTD:** This assumes a December closing

counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys', and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with: (i) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under, the Authority Revenues, the Gross Revenues, the WIFIA Debt Service Account, or any provision of this Agreement or any other WIFIA Loan Document or the rights of the WIFIA Lender thereunder; (ii) any amendment, modification, waiver, or consent with respect to this Agreement or any other Related Document; and (iii) any work-out, restructuring, or similar arrangement of the obligations of the Borrower or the District under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default; provided that nothing in this Section 10(c) shall obligate the District to pay principal or interest on the WIFIA Loan or WIFIA Note.

(d) The obligations of the District under this Section 10 shall survive the payment or prepayment in full in accordance with Section 8 or Section 9, respectively, of the WIFIA Note, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

ARTICLE III
CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower and the District shall each have duly executed and delivered to the WIFIA Lender this Agreement and the WIFIA Installment Purchase Agreement and the Borrower shall have duly executed and delivered to the WIFIA Lender the WIFIA Note, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower and the District shall each have delivered to the WIFIA Lender complete and fully executed copies of each Obligation Document to which it is a party and that has been entered into on or prior to the Effective Date and each Existing Construction Contract, together with any amendments, supplements, waivers or modifications thereto, along with a certification in the Borrower Closing Certificate and the District Closing Certificate, respectively, that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower and the District shall each have delivered to the WIFIA Lender a copy of its Organizational Documents, as in effect on the Effective Date,

along with a certification in the Borrower Closing Certificate or District Closing Certificate, as applicable, that such Organizational Documents are in full force and effect.

(iv) The District shall have delivered to the WIFIA Lender a copy of the WIFIA District Resolution, along with a certification that the WIFIA District Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the District to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(v) The Borrower shall have delivered to the WIFIA Lender a copy of the WIFIA Borrower Resolution, along with a certification that the WIFIA Borrower Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(vi) (A) Counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-1** (*Opinions Required from Counsel to Borrower*)), (B) bond counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-2** (*Opinions Required from Borrower Bond Counsel*)), (C) counsel to the District shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-3** (*Opinions Required from Counsel to District*)), and (D) bond counsel to the District shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-4** (*Opinions Required from District Bond Counsel*)).

(vii) The Borrower and the District shall each have delivered to the WIFIA Lender the Non-Debarment Certificate.

(viii) The Borrower and the District shall each have delivered to the WIFIA Lender the Non-Lobbying Certificate.

(ix) The Borrower shall have delivered to the WIFIA Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit H-1** (*Form of Closing Certificate of Borrower*) (the "**Borrower Closing Certificate**"), designating the Borrower's Authorized Representative, confirming such person's position and incumbency, and certifying as to the satisfaction of the following conditions precedent (and, if requested by the WIFIA Lender, shall have provided evidence satisfactory to the WIFIA Lender of such compliance):

(A) the Borrower has obtained all Governmental Approvals necessary to execute and deliver, and perform its obligations under the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(B) as of the Effective Date, (x) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (y) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(C) the Borrower has (x) obtained a Federal Employer Identification Number, (y) obtained a Data Universal Numbering System number, and (z) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov);

(D) the Borrower has obtained a CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA;

(E) the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(F) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since April 30, 2021.

(x) The District shall have delivered to the WIFIA Lender a certificate, signed by the District's Authorized Representative, substantially in the form attached hereto as **Exhibit H-2** (*Form of Closing Certificate of District*) (the "**District Closing Certificate**"), designating the District's Authorized Representative, confirming such person's position and incumbency, and certifying as to the satisfaction of the following conditions precedent (and, if requested by the WIFIA Lender, shall have provided evidence satisfactory to the WIFIA Lender of such compliance):

(A) the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;

(B) the District has obtained all Governmental Approvals necessary (x) as of the Effective Date in connection with the Project and (y) to

execute and deliver, and perform its obligations under the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(C) as of the Effective Date, (x) the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (y) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs;

(D) the District is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(E) the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(F) the District has (x) obtained a Federal Employer Identification Number, (y) obtained a Data Universal Numbering System number, and (z) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov);

(G) the representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(H) no District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred or arisen since April 30, 2021.

(xi) The Borrower shall have provided evidence to the WIFIA Lender's satisfaction, no more than thirty (30) days prior to the Effective Date, of the assignment by at least one (1) Nationally Recognized Rating Agency of a public Investment Grade Rating to the Senior Obligations then Outstanding (or any indebtedness of the Borrower incurred in connection with Senior Obligations then Outstanding) and any Senior Obligations and Subordinate Obligations proposed to be issued for the Project (or any indebtedness of the Borrower proposed to be incurred in connection with Senior Obligations and Subordinate Obligations for the Project, including indebtedness evidenced by the WIFIA Note), along

with a certification in the Borrower Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(xii) The District shall have delivered to the WIFIA Lender a Base Case Financial Model in form and substance acceptable to the WIFIA Lender, along with a certification in the District Closing Certificate that such Base Case Financial Model (A) demonstrates that, as to the District, projected Gross Revenues are sufficient to pay WIFIA Installment Payments and, as to the Borrower, Authority Revenues are sufficient to meet the Loan Amortization Schedule, (B) demonstrates compliance by the District with the Rate Covenant for each District Fiscal Year through the Final Maturity Date, (C) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender and (D) demonstrates that the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over the useful life of the Project.

(xiii) The District shall have delivered to the WIFIA Lender (A) certificates of insurance, along with a certification in the District Closing Certificate that such insurance certificates are true and correct and demonstrate compliance with the requirements of Section 17(f) (*Affirmative Covenants of the District – Insurance; Net Proceeds*) and (B) at the WIFIA Lender's request, copies of such insurance policies and/or, if applicable, documents pertaining to the District's self-insurance program.

(xiv) The District shall have delivered to the WIFIA Lender the Public Benefits Report.

(xv) The District shall have provided the WIFIA Lender records of any Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the WIFIA Lender.

(xvi) The District shall have paid in full all invoices delivered by the WIFIA Lender to the District as of the Effective Date for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(xvii) The District shall have provided evidence to the WIFIA Lender's satisfaction of the (A) establishment by the District of the WIFIA Debt Service Account and (B) the pledge of such account by the District for the sole benefit of the Borrower.

(xviii) The District shall have delivered to the WIFIA Lender copies of (A) the Investment Policy and (B) the Debt Management Policy.

(xix) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender to be provided by the Borrower, all in form and substance satisfactory to the WIFIA Lender.

(xx) The District shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender to be provided by the District, all in form and substance satisfactory to the WIFIA Lender.

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any disbursement of WIFIA Loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The District shall have provided to the WIFIA Lender evidence satisfactory to the WIFIA Lender that (A) the aggregate amount of all disbursements of the WIFIA Loan (including the requested disbursement) will not exceed (1) the maximum principal amount of the WIFIA Loan, (2) the aggregate amount of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, or (3) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule; (B) the District has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs; and (C) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.

(ii) The District shall have provided an Updated Financial Model in compliance with the requirements of Section 20(a) (*Reporting Requirements of the District – Updated Financial Model*).

(iii) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) (including satisfactory Eligible Project Costs Documentation relating to such Requisition), and the WIFIA Lender shall have approved (or be deemed to have approved in accordance with Section 4(c) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*)) such Requisition. The District's Authorized Representative shall also certify in such Requisition that:

(A) all Governmental Approvals necessary as of the time of such disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect (and are not subject to any notice of violation, breach or revocation);

(B) each of the insurance policies obtained by the District in satisfaction of the requirements of Section 17(f) (*Affirmative Covenants* of the District – *Insurance; Net Proceeds*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider;

(C) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder and no event of default under any other Related Document to which the District is a party shall have occurred and be continuing and (2) no event that, with the giving of notice or the passage of time or both, would

constitute an event of default under any other Related Document to which the District is a party shall have occurred and be continuing;

(D) no District Material Adverse Effect, or any event or condition that could reasonably be expected to result in a District Material Adverse Effect, shall have occurred since April 30, 2021;

(E) the District and each of the contractors and subcontractors at all tiers with respect to the Project have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender; and

(F) the representations and warranties of the District set forth in this Agreement (including Section 13 (*Representations and Warranties of the District*)) and in each other WIFIA Loan Document to which the District is a party shall be true and correct as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(iv) To the extent necessary to make the corresponding representations and warranties true, correct and complete as of the date of the applicable disbursement, the District shall have delivered a schedule, in form and substance satisfactory to the WIFIA Lender, listing any exceptions with respect to the representations and warranties set forth in Section 13(o) (*Environmental Matters*).

(v) The Borrower's Authorized Representative shall have delivered to the WIFIA Lender a certificate in the form of **Appendix Two** (*Form of Borrower Disbursement Certificate*) to **Exhibit D** (*Requisition Procedures*) certifying that:

(A) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder and no event of default under any other Related Document to which the Borrower is a party shall have occurred and be continuing and (2) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document to which the Borrower is a party shall have occurred and be continuing;

(B) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Borrower Material Adverse Effect, shall have occurred since the Effective Date; and

(C) the representations and warranties of the Borrower set forth in this Agreement (including Section 12 (*Representations and Warranties of the*

Borrower)) and in each other WIFIA Loan Document to which the Borrower is a party shall be true and correct as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(vi) To the extent not previously delivered to the WIFIA Lender, the District shall have delivered to the WIFIA Lender copies of any Related Document (including any amendment, waiver, modification or supplement thereto) entered into after the Effective Date, along with a certification in the Requisition that each such document is complete, fully executed and in full force and effect.

(vii) The District shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices received from the WIFIA Lender as of the date of disbursement of the WIFIA Loan and delivered by the WIFIA Lender to the District, for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties other than those (x) contained in Section 12(b) (*Representations and Warranties of the Borrower – Officers' Authorization*), Section 12(k) (*Representations and Warranties of the Borrower – Credit Ratings*) and the first sentence of Section 12(f) (*Representations and Warranties of the Borrower – Litigation*), as of each date on which any disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a joint exercise of powers authority duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence to which it is a party, to execute and deliver this Agreement, the WIFIA Installment Purchase Agreement, and the WIFIA Note, and to carry out and consummate all transactions contemplated hereby and thereby, and has duly authorized the execution, delivery and performance of this Agreement, the WIFIA Note, and the other Related Documents to which it is a party.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the Related Documents (and any certifications or instruments related thereto) to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes the legal,

valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity, the exercise of judicial discretion and the limitation on legal remedies against governmental entities imposed by the laws of the State (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated by the Related Documents to which the Borrower is a party, and the fulfillment of or compliance with the terms and conditions of the Related Documents to which the Borrower is a party, will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any obligations of the Borrower, or of any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents to which it is a party, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents to which the Borrower is a party, or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of any of the Related Documents to which the Borrower is a party, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed. The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Borrower Material Adverse Effect.

(f) Litigation. There is no action suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting the Wastewater System (including the Project) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents to which the Borrower is a party. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the Wastewater System (including the Project), the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Borrower Material Adverse Effect. To the Borrower's knowledge, there are no actions of the type described above pending or, threatened against or

affecting any of the Construction Contractors, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a Borrower Material Adverse Effect or (ii) adversely affect the Borrower's ability to receive Authority Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Updated Financial Model, to the extent any Updated Financial Model has been approved by the WIFIA Lender).

(g) Security Interests. (i) This Agreement and Section 5451 of the California Government Code establish, and (ii) the Borrower has taken all necessary action to pledge, assign, and grant, in each case in favor of the WIFIA Lender, legal, valid, binding and enforceable Liens on the Authority Revenues and the Borrower's rights with respect to the WIFIA Debt Service Account purported to be created, pledged, assigned, and granted pursuant to and in accordance with this Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Such Liens are in full force and effect and are the only Liens in respect of the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account. The Borrower has taken all necessary action to assign to the WIFIA Lender all of its rights (A) to receive the Authority Revenues, (B) with respect to the WIFIA Debt Service Account and (C) to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder without the need for any further act. The Borrower is not in breach of any covenant set forth in Section 15(a) (*Affirmative Covenants of the Borrower – Securing Liens*) or in any other WIFIA Loan Document to which the Borrower is a party with respect to the matters described in Section 15(a) (*Affirmative Covenants of the Borrower – Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (1) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the Authority Revenues for the benefit of the WIFIA Lender, and (2) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any WIFIA Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability or priority of the security interest in the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vii) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents to which the Borrower is a party are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Laws.

(i) The Borrower has complied with all applicable laws, rules, regulations and requirements.

(ii) No notices of violation of any applicable law have been issued, entered or received by the Borrower other than notices of violations that are immaterial.

(iii) The Borrower is not (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the Borrower, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the Borrower with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) Credit Ratings. The WIFIA Loan and the Senior Obligations (or any indebtedness of the Borrower incurred in connection with Senior Obligations then Outstanding) then Outstanding have received a public Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, written evidence of such ratings has been provided to the WIFIA Lender prior to the Effective Date, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(l) No Defaults. No Default or Event of Default, and no default or event of default by the Borrower under any other Related Document to which the Borrower is a party, has occurred and is continuing.

(m) Information. Neither the WIFIA Loan Documents to which the Borrower is a party, nor any documents, certificates or statements provided to the WIFIA Lender by representatives of the Borrower in connection with the transactions contemplated thereby, which for purposes of this Section 12(m) shall consist of all documents or statements related to the Application or the Project, cash flow schematics, responses to due diligence interrogatories or requests from the WIFIA Lender or its advisors, and documents uploaded to the online WIFIA SharePoint data room made accessible to the Borrower by the WIFIA Lender, to the extent such documents, certificates, statements or other materials relate to the Borrower (including its finances or operations) or the Project, contains any untrue statement of any material fact or omits to state any material fact necessary so as to make such WIFIA Loan Documents, documents, certificates, statements or other materials so provided to the WIFIA Lender, in light of the circumstances under which they were made, not misleading.

(n) Insurance. The Borrower is in compliance with all insurance obligations applicable to the Borrower required under each Related Document to which the Borrower is a party

as of the date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower's self-insurance program is actuarially sound and the Borrower has received an opinion from an accredited actuary within the last twelve (12) months, which opinion confirms that the Borrower's self-insurance program is actuarially sound.

(o) No Prohibited Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Authority Revenues or its rights with respect to the WIFIA Debt Service Account. The Authority Revenues and the Borrower's rights with respect to the WIFIA Debt Service Account are free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the pledge and Lien thereon for the benefit of the WIFIA Lender.

(p) Borrower Financial Statements. Each Borrower Financial Statement delivered to the WIFIA Lender by the Borrower pursuant to Section 19(a) (*Reporting Requirements of the Borrower – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein, if any such balance sheets and statements are prepared. Except as reflected in such Borrower Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the periods to which such Borrower Financial Statements relate that are required to be disclosed in accordance with GAAP.

(q) Securities Laws. Under existing law, the WIFIA Note may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws.

(r) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(s) Sovereign Immunity. The Borrower either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Borrower under any of the Related Documents to which the Borrower is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder, or, to the extent that the Borrower has such immunity, the Borrower has waived such immunity pursuant to Section 15(j) (*Affirmative Covenants of the Borrower – Immunity*).

(t) Patriot Act. The Borrower is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act. [2]

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[2] **Note to the Borrower:** Please confirm that USDFA is not required to establish an anti-money laundering compliance program.

(u) No Federal Debt. The Borrower has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 13. Representations and Warranties of the District. The District hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 13(b) (*Representations and Warranties of the District – Officers' Authorization*) the first sentence of Section 13(f) (*Representations and Warranties of the District – Litigation*) and the first sentence of Section 13(m) (*Representations and Warranties of the District – Construction Contracts*), as of each date on which any disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The District is a sanitary district duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence to which it is a party, to execute and deliver this Agreement and the WIFIA Installment Purchase Agreement, and to carry out and consummate all transactions contemplated hereby and thereby, and has duly authorized the execution, delivery and performance of this Agreement and the other Related Documents to which it is a party.

(b) Officers' Authorization. As of the Effective Date, the officers of the District executing (or that previously executed) the Related Documents (and any certifications or instruments related thereto) to which the District is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the District is a party has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity, the exercise of judicial discretion and the limitation on legal remedies against governmental entities imposed by the laws of the State (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the District is a party, the consummation of the transactions contemplated by the Related Documents to which the District is a party, and the fulfillment of or compliance with the terms and conditions of the Related Documents to which the District is a party, will not (i) conflict with the District's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the District of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any obligations (including any Obligations and any Installment Payment obligations) of the District or of any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the District of the Related Documents to which it is a party, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents to which the District is a party, or (B) the fulfillment of or compliance by the District with the terms and conditions of any of the Related Documents to which the District is a party, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed. The District is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a District Material Adverse Effect.

(f) Litigation. There is no action suit, proceeding or, to the knowledge of the District, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the District, threatened against or affecting the Wastewater System (including the Project) or the ability of the District to execute, deliver and perform its obligations under the Related Documents to which the District is a party. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the District, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the District, threatened against or affecting the Wastewater System (including the Project), the District or the assets, properties or operations of the District, that in any case could reasonably be expected to result in a District Material Adverse Effect. To the District's knowledge, there are no actions of the type described above pending or, threatened against or affecting any of the Construction Contractors, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a District Material Adverse Effect or (ii) adversely affect the District's ability to receive Gross Revenues and Net Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Updated Financial Model, to the extent any Updated Financial Model has been approved by the WIFIA Lender) or to pay the WIFIA Installment Payments.

(g) Security Interests. (i) The WIFIA Installment Purchase Agreement and Section 5451 of the California Government Code establish, and (ii) the District has taken all necessary action to pledge, assign, and grant, in each case in favor of the Borrower, legal, valid, binding and enforceable Liens on the District Collateral purported to be created, pledged, assigned, and granted pursuant to and in accordance with the WIFIA Installment Purchase Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. The Liens on the District Collateral in favor of the Borrower are in full force and effect and are (A) not subordinate or junior to any other Liens in respect of the Gross Revenues other than the Liens on the Gross Revenues for the benefit of the Senior Obligations, and (B) not *pari passu* with any Liens in respect of the Gross Revenues other than the Liens on the Gross Revenues for the benefit of the Subordinate Obligations. The Lien on the WIFIA Debt Service Account in favor of the Borrower is the only Lien with respect to the

WIFIA Debt Service Account. The District is not in breach of any covenant set forth in Section 17(b) (*Affirmative Covenants of the District – Securing Liens*) or in any WIFIA Loan Document to which the District is a party with respect to the matters described in Section 17(b) (*Affirmative Covenants of the District – Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (1) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the District Collateral for the benefit of the Borrower, and (2) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any WIFIA Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability or priority of the security interest in the District Collateral granted pursuant to the WIFIA Installment Purchase Agreement is governed by Article 9 of the UCC.

(h) No Debarment. The District has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the District nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vii) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the District set forth in this Agreement and the other Related Documents to which the District is a party are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Laws.

(i) The District and each of the contractors and subcontractors at all tiers with respect to the Project have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§ 3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the District has included in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 13(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 13(j) (including with respect to the Davis-Bacon Act requirements).

(iii) No notices of violation of any applicable law have been issued, entered or received by the District or, to the District's knowledge and solely in respect of the Project or any Construction Contract, any Construction Contractor, other than, in each case, notices of violations that are immaterial.

(iv) The District is not and, to the knowledge of the District, no Construction Contractor is, (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the District, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the District or any Construction Contractor, with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) No Defaults. No Default or Event of Default, and no default or event of default by the District under any other Related Document (excluding Construction Contracts) to which the District is a party, has occurred and is continuing.

(l) Governmental Approvals. All Governmental Approvals required as of the Effective Date and required as of any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of or a default under any such Governmental Approval.

(m) Construction Contracts. Attached as **Schedule 13(m)** (*Construction Contracts*) is a list of the Existing Construction Contracts and all Additional Construction Contracts that are expected to be entered into. With respect to each Construction Contract that has been entered into on or prior to any date on which this representation and warranty is made, (x) it is in full force and effect, (y) all conditions precedent to the obligations of the respective parties under each such Construction Contract have been satisfied and (z) the District has delivered to the WIFIA Lender a fully executed, complete and correct copy of each such Construction Contract, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the District or, to the District's knowledge, any Construction Contractor, the right to terminate any such Construction Contract. The District is not in breach of any material term in or in default under any Construction Contract, and to the knowledge of the District no party to any Construction Contract is in breach of any material term therein or in default thereunder.

(n) Information. Neither the WIFIA Loan Documents to which the District is a party, nor any documents, certificates or statements provided to the WIFIA Lender by

representatives of the District in connection with the transactions contemplated thereby, which for purposes of this Section 13(n) shall consist of all financial models, project budgets, documents or statements related to the Application or the Project, cash flow schematics, responses to due diligence interrogatories or requests from the WIFIA Lender or its advisors, and documents uploaded to any data room made accessible to the District by the WIFIA Lender (or its advisors) or provided to the WIFIA Lender in an electronic written communication, to the extent such documents, certificates, statements or other materials relate to the District (including its finances or operations) or the Project, contains any untrue statement of any material fact or omits to state any material fact necessary so as to make such WIFIA Loan Documents, documents, certificates, statements or other materials so provided to the WIFIA Lender, in light of the circumstances under which they were made, not misleading.

(o) Environmental Matters. The District and, to the District's knowledge, each Construction Contractor, is in compliance with all laws applicable to the Wastewater System (including the Project) relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Wastewater System (including the Project) (collectively, the "**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. The District has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the District is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the District's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the District with any such Environmental Law or Governmental Approval. The District has provided to the WIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the District regarding the District's or the Project's compliance with (A) Environmental Laws and (B) Governmental Approvals that are required for the Project and relate to Environmental Laws.

(p) Sufficient Rights. The District possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Wastewater System (including the Project), in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the Wastewater System (including the Project). As of any date on which this representation and warranty is made, the Construction Contracts then in effect and the Governmental Approvals that have been obtained and are then in full force and effect create rights in the District sufficient to enable the District to own, construct, operate, maintain and repair the Wastewater System (including the Project) and to perform its obligations under the Construction Contracts to which it is a party.

(q) Insurance. The District is in compliance with all insurance obligations required under each Related Document to which the District is a party as of the date on which this representation and warranty is made. To the extent the District self-insures, the District's self-insurance program is actuarially sound and the District has received an opinion from an accredited

actuary within the last twelve (12) months, which opinion confirms that the District's self-insurance program is actuarially sound.

(r) No Prohibited Liens. Except for Permitted Liens, the District has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Gross Revenues, the Wastewater System, the WIFIA Debt Service Account, the Project or the properties or assets in relation to the Project.

(s) District Financial Statements. Each District Financial Statement delivered to the WIFIA Lender by the District pursuant to Section 20(b) (*Reporting Requirements of the District – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the District as of the respective dates of the balance sheets included therein and the results of operations of the District for the respective periods covered by the statements of income included therein. Except as reflected in such District Financial Statements, there are no liabilities or obligations of the District of any nature whatsoever for the periods to which such District Financial Statements relate that are required to be disclosed in accordance with GAAP.

(t) Taxes. The District is not required to file tax returns with any Governmental Authority.

(u) Sufficient Funds. The amount of the WIFIA Loan, when combined with all other funds committed for the development and construction of the Project as set forth under the various sources of funds in the Base Case Financial Model and the Project Budget will be sufficient to carry out the Project, pay all Total Project Costs anticipated for the development and construction of the Project and achieve Substantial Completion by the Projected Substantial Completion Date.

(v) Sovereign Immunity. The District either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the District under any of the Related Documents to which the District is a party or the transactions contemplated hereby or thereby, including the obligations of the District hereunder and thereunder, or, to the extent that the District has such immunity, the District has waived such immunity pursuant to Section 17(n) (*Affirmative Covenants of the District – Immunity*).

(w) Patriot Act. The District is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act. [3]

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[3] **Note to the District:** Please confirm that USD is not required to establish an anti-money laundering compliance program.

(x) No Federal Debt. The District has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 14. Representations and Warranties of WIFIA Lender. The WIFIA Lender represents and warrants that:

(a) Power and Authority. The WIFIA Lender has all requisite power and authority to make the WIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the WIFIA Lender, and are legally valid and binding agreements of the WIFIA Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the WIFIA Lender executing each of the Related Documents to which the WIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the WIFIA Lender.

ARTICLE V
COVENANTS

Section 15. Affirmative Covenants of the Borrower. The Borrower covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Securing Liens. The Borrower shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Authority Revenues (whether now existing or hereafter arising) and the Borrower's rights with respect to the WIFIA Debt Service Account granted to the WIFIA Lender for its benefit pursuant to the WIFIA Loan Documents to which the Borrower is a party, or intended so to be granted pursuant to the WIFIA Loan Documents to which the Borrower is a party, or which the Borrower may become bound to grant, and the Borrower shall at all times maintain the Authority Revenues and its rights with respect to the WIFIA Debt Service Account free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Loan, and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Authority Revenues granted pursuant to the WIFIA Loan Documents and for the benefit of the WIFIA Lender under the WIFIA Loan Documents against all claims and demands of all Persons whomsoever.

(b) Use of Proceeds. The Borrower shall use, and shall cause the District pursuant to the WIFIA Installment Purchase Agreement to use, the proceeds of the WIFIA Loan solely for purposes permitted by applicable law and as otherwise permitted by this Agreement.

(c) Verification Requirements. The Borrower shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(d) Operation of the Borrower. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(e) Maintain Legal Structure. The Borrower shall maintain its existence as a joint exercise of powers authority organized and existing under its Organizational Documents and the laws of the State.

(f) Compliance with Laws.

(i) The Borrower shall comply with all applicable laws, rules, regulations and requirements.

(ii) No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document shall violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(g) Material Obligations; Payment of Claims.

(i) The Borrower shall pay its material obligations promptly and in accordance with their terms.

(ii) The Borrower shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Authority Revenues, before the same shall become delinquent or in default; provided that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(iii) The Borrower will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Authority Revenues.

(h) SAM Registration. The Borrower shall (i) obtain prior to the Effective Date (and provide such registration information to the WIFIA Lender) and maintain through the Final Disbursement Date an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(i) DUNS Number. The Borrower shall (i) obtain prior to the Effective Date (and provide such number to the WIFIA Lender) and maintain from Dun & Bradstreet (or a successor entity) a Data Universal Numbering System Number (a "**DUNS Number**") and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such DUNS Number, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement have been irrevocably paid in full in immediately available funds.

(j) Immunity. To the fullest extent permitted by applicable law, the Borrower agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other WIFIA Loan Document to which the Borrower is a party.

(k) Accounting and Audit Procedures.

(i) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for Authority Revenues, debt issued and outstanding and debt payments. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first Borrower Fiscal Year in which there is a disbursement of WIFIA Loan proceeds and annually thereafter to the extent required by applicable law, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(l) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to examine books of account and records of the Borrower relating to the Project, to make copies and extracts therefrom at the District's expense, and to discuss the Borrower's affairs, finances and accounts relating to the WIFIA Loan with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this

Section 15(l) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request.

(ii) The Borrower shall maintain and retain all files relating to the WIFIA Loan until five (5) years after the later of the date on which (A) all rights and duties under this Agreement and under the WIFIA Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower.

(m) Compliance with Contracts. The Borrower will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Wastewater System, to the extent that the Borrower is a party thereto.

(n) Further Assurances. The Borrower will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the WIFIA Lender the rights and benefits provided to it herein.

Section 16. Negative Covenants of the Borrower. The Borrower covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or impair the Liens on the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account granted pursuant to this Agreement, (ii) amend, modify, terminate, assign, replace or supplement, or permit a waiver of any provision of, the WIFIA Installment Purchase Agreement, (iii) amend, modify, replace or supplement any Related Document to which the Borrower is a party (other than the WIFIA Installment Purchase Agreement) or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to result in a Borrower Material Adverse Effect, or (iv) terminate, assign or replace any Related Document to which the Borrower is a party (other than the WIFIA Installment Purchase Agreement) in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Borrower Material Adverse Effect. The Borrower shall not take or omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the District to secure adequate Net Revenues to meet the requirements of the WIFIA Loan Documents.

(b) No Prohibited Liens. Except for the Liens with respect to the WIFIA Loan for the benefit of the WIFIA Lender, the Borrower shall not create, incur, assume or permit to exist any Lien on the Authority Revenues or its rights with respect to the WIFIA Debt Service Account.

(c) Borrower Fiscal Year. The Borrower shall not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(d) No Defeasance. Notwithstanding anything to the contrary in any document, the WIFIA Loan shall not be subject to defeasance and no amounts in respect of the WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement.

(e) Hedging. Other than Qualified Hedges, the Borrower shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the WIFIA Lender.

(f) Variable Interest Rate Obligations. The Borrower shall not, on behalf of the District, issue any obligation that is to bear interest at a Variable Interest Rate if such issuance would cause the principal amount of all Outstanding Variable Interest Rate Obligations to exceed twenty-five percent (25%) of the principal amount of all Outstanding Obligations.

(g) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Authority Revenues or (B) the availability of the Authority Revenues for the payment and security of the obligations of the Borrower under this Agreement or this Agreement, (ii) the Borrower provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender, and (iii) either (A) any surviving entity as a result of such reorganization, merger or consolidation that is not the Borrower immediately prior to the reorganization, merger or consolidation executes, acknowledges, and delivers to the WIFIA Lender an agreement satisfactory to the WIFIA Lender in form and substance whereby such surviving entity assumes the Borrower's obligations under this Agreement, or (B) the Borrower delivers to the WIFIA Lender the statute implementing such reorganization, merger or consolidation or an order or other document of the State or local agency with statutory jurisdiction over such reorganization, merger or consolidation, in either case containing a provision requiring the surviving entity to assume the Borrower's obligations with respect to bonds, notes and other obligations, including the WIFIA Installment Purchase Agreement and this Agreement. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

Section 17. Affirmative Covenants of the District. The District covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant.

(i) To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each District Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected to be at least sufficient to yield during each District Fiscal Year (A) Net Revenues equal to one hundred twenty percent (120%) of the Debt Service payable in such District Fiscal Year and (B) Net Revenues remaining after payment of Debt Service equal to one hundred ten percent (110%) of Subordinate Debt Service payable in such District Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section 17(a)(i).

(ii) For avoidance of doubt, so long as the District has complied with its obligations set forth in clause (a)(i) of this section, the failure of Net Revenues to meet the thresholds set forth in clause (a)(i) of this section at the end of a District Fiscal Year shall not constitute a default or a Default or an Event of Default so long as the District has complied with clause (a)(i) of this section at the commencement of the succeeding District Fiscal Year.

(b) Securing Liens. The District shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the District Collateral(whether now existing or hereafter arising) granted to the Borrower for its benefit pursuant to the WIFIA Installment Purchase Agreement, or intended so to be granted pursuant to the WIFIA Installment Purchase Agreement, or which the District may become bound to grant, and the District shall at all times maintain the District Collateral and the WIFIA Debt Service Account free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the WIFIA Installment Purchase Agreement (except with respect to the WIFIA Debt Service Account, free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, regardless of priority), other than as permitted by this Agreement and the WIFIA Installment Purchase Agreement, and all organizational, regulatory or other necessary action on the part of the District to that end shall be duly and validly taken at all times. The District shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the District Collateral granted for the benefit of the Borrower pursuant to the WIFIA Installment Purchase Agreement against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. The District shall use the proceeds of the WIFIA Loan solely for purposes permitted by applicable law and as otherwise permitted under this Agreement, the WIFIA Installment Purchase Agreement and the other Related Documents to which the District is a party.

(d) Prosecution of Work; Verification Requirements.

(i) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, the Governmental Approvals in connection with the Project, and the highest standards of the District's industry.

(ii) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall ensure that each Construction Contractor complies with all applicable laws and legal or contractual requirements with respect to any performance security instrument delivered by such Construction Contractor to the District and shall ensure that any letter of credit provided pursuant to any Construction Contract meets the requirements therefor set forth in such Construction Contract.

(iii) The District shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(e) Maintenance and Operation of the Wastewater System. The District shall (i) operate and maintain the Wastewater System (including, but not limited to, the Project) in a reasonable and prudent manner and (ii) maintain the Wastewater System (including the Project) in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable Related Document. The District shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(f) Insurance; Net Proceeds.

(i) The District will procure and maintain or cause to be procured and maintained insurance on the Wastewater System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Wastewater System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties. The District shall cause each Construction Contractor to obtain and maintain builders risk and casualty and liability insurance in accordance with the requirements of the applicable Construction Contract.

(ii) The District shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide for workers' compensation insurance for District's workers and insurance against public liability and property damage to the District Operations (including the Project) to the extent reasonably necessary to protect the District and the WIFIA Lender.

(iii) The District shall cause all liability insurance policies that it maintains (and, during the Construction Period, all liability insurance policies that are

maintained by any Construction Contractor), other than workers' compensation insurance, to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(iv) In the event of any damage to or destruction of the Wastewater System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Wastewater System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Wastewater System shall be free and clear of all claims and liens.

(v) If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the remaining excess Net Proceeds, after any prepayment therefrom of the Senior Obligations in accordance their Obligation Documents, shall be applied in part to the prepayment of the WIFIA Loan as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and in part to such other funds or accounts as may be appropriate and used for the retirement of the Subordinate Obligations (other than the WIFIA Loan) in the same proportion which the Outstanding WIFIA Loan Balance then bears to the aggregate unpaid principal amount of the Subordinate Obligations (other than the WIFIA Loan). If such Net Proceeds are sufficient to discharge all obligations under this Agreement, the WIFIA Note, and the WIFIA Installment Purchase Agreement and all other Outstanding Obligations, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Wastewater System, and thereupon such Net Proceeds shall be applied to the prepayment of the Outstanding WIFIA Loan Balance as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and to the retirement of such other Outstanding Obligations.

(vi) The District will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Borrower, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal wastewater systems similar to the Wastewater System.

(vii) Any insurance required to be maintained by Section 17(f)(i) and, if the District determines to procure and maintain insurance pursuant to Section 17(f)(vi), such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with wastewater systems similar to the Wastewater System and is, in the opinion of an accredited actuary, actuarially sound.

(viii) All policies of insurance required to be maintained herein shall provide that the Borrower and the WIFIA Lender shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(ix) Promptly upon request by the WIFIA Lender, the District shall deliver to the WIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower or the District in respect of the Project. All such policies shall be available at all reasonable times for inspection by the WIFIA Lender, its agents and representatives.

(g) Maintain Legal Structure. The District shall maintain its existence as a sanitary district organized and existing under its Organizational Documents and the laws of the State.

(h) Accounts; Permitted Investments.

(i) The District shall maintain the Revenue Fund in accordance with the terms hereof and the other WIFIA Loan Documents. All Gross Revenues received shall be deposited in the Revenue Fund when and as received in trust for the benefit of the holders of the Obligations, subject to the application of Gross Revenues to Operation and Maintenance Costs. The District shall maintain and hold separate and apart from other funds the Revenue Fund so long as any Obligations remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in the Flow of Funds.

(ii) All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

(iii) The District shall maintain the Parity Debt Reserve, if any, in accordance with the terms of the WIFIA Installment Purchase Agreement.

(i) WIFIA Debt Service Account. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall (i) establish the WIFIA Debt Service Account on or prior to the first WIFIA Installment Payment Date and (ii) maintain the WIFIA Debt Service Account in accordance with the WIFIA Installment Purchase Agreement for the benefit of the Borrower. The WIFIA Debt Service Account shall be subject to a Lien and has been pledged by the District to the Borrower as security solely for the benefit of the Borrower and shall not be subject to any security interest in favor of any Person other than the Borrower and the WIFIA Lender, as assignee of the Borrower's rights therein. Amounts on deposit in the WIFIA Debt Service Account shall be applied by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, solely to pay WIFIA Debt Service and other amounts due with respect to the WIFIA Loan or the WIFIA Note.

(j) Compliance with Laws.

(i) The District shall, and shall require the contractors and subcontractors at all tiers with respect to the Project to, comply with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the District shall include in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 17(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 17(j) (including with respect to the Davis-Bacon Act requirements).

(k) Material Obligations; Payment of Claims.

(i) The District shall pay its material obligations promptly and in accordance with their terms.

(ii) The District shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Gross Revenues or other assets of the Wastewater System, before the same shall become delinquent or in default; provided that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the District in good faith by appropriate proceedings and so long as the District shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(iii) The District shall pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Wastewater System (or any part thereof), the WIFIA Debt Service Account, the Project, the Gross Revenues or any fund or account of the District pledged to pay Obligations.

(l) SAM Registration. The District shall (i) obtain prior to the Effective Date (and provide such registration information to the WIFIA Lender) and maintain through the Final Disbursement Date an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(m) DUNS Number. The District shall (i) obtain prior to the Effective Date (and provide such number to the WIFIA Lender) and maintain from Dun & Bradstreet (or a successor entity) a Data Universal Numbering System Number (a "**DUNS Number**") and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such DUNS Number, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement have been irrevocably paid in full in immediately available funds.

(n) Immunity. To the fullest extent permitted by applicable law, the District agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to

the enforcement of any of the obligations of the District under this Agreement or any other WIFIA Loan Document to which the District is a party.

(o) Accounting and Audit Procedures.

(i) The District shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all of the following: (A) Gross Revenues, Authority Revenues, operating expenses, capital expenses, depreciation, reserves, debt issued and outstanding and debt payments; and (B) Project-related costs, WIFIA Loan requisitions submitted, WIFIA Loan proceeds received, payments made by the District, as an agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, with regard to the Project, and other sources of funding for the Project (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement). The District shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Installment Payments, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The District shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first District Fiscal Year in which there is a disbursement of WIFIA Loan proceeds and annually thereafter to the extent required by applicable law, except to the extent biennial audits are permitted for the District pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the District shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(p) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the WIFIA Loan shall have been paid in full by the Borrower, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any portion of the Project, to examine books of account and records of the District relating to the Project, to make copies and extracts therefrom at the District's expense, and to discuss the District's affairs, finances and accounts relating to the Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the District irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the District, whether or not any representative of the District is present, it being understood that nothing contained in this Section 17(p) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The District agrees to pay all out-of-pocket expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights

under this Section 17(p) at any time when an Event of Default shall have occurred and be continuing.

(ii) The District shall maintain and retain all files relating to the Project and the WIFIA Loan until five (5) years after the later of the date on which (A) all rights and duties of the District or the Borrower under this Agreement and of the Borrower under the WIFIA Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the District. The District shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the Project that the WIFIA Lender may reasonably request from time to time.

(q) Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Wastewater System, to the extent that the District is a party thereto.

(r) Protection of Security and Rights of the Borrower. The District will preserve and protect the security and the rights of the Borrower to the WIFIA Installment Payments and the WIFIA Debt Service Account under the WIFIA Installment Purchase Agreement and will warrant and defend such rights against all claims and demands of all persons.

(s) Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Wastewater System and providing for the billing thereof and for a due date and a delinquency date for each bill.

(t) Eminent Domain Proceeds. If all or any part of the Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(i) If (A) the District files with the Borrower and the WIFIA Lender a certificate showing (1) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (2) a general description of the additions, betterments, extensions or improvements to the Wastewater System proposed to be acquired and constructed by the District from such Net Proceeds, and (3) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (B) the District, on the basis of such certificate filed with the Borrower and the WIFIA Lender, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any

balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(ii) If any of the conditions set forth in Section 17(t)(i) is not met, then the remaining Net Proceeds, after any prepayment therefrom of the Senior Obligations in accordance their Obligation Documents, shall be applied by the District in part to the prepayment of the WIFIA Loan as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and in part to such other funds or accounts as may be appropriate and used for the retirement of the Subordinate Obligations (other than the WIFIA Loan) in the same proportion which the Outstanding WIFIA Loan Balance then bears to the aggregate unpaid principal amount of such Subordinate Obligations (other than the WIFIA Loan).

(u) Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the WIFIA Lender the rights and benefits provided to it herein.

(v) Senior Obligations Documents and Subordinated Obligations Documents. Each Obligation Document for Senior Obligations and each Obligation Document for Subordinate Obligations entered into by the District shall contain a flow of funds substantively the same as the flow of funds set forth in Section 7 (*Security and Priority; Flow of Funds*).

Section 18. Negative Covenants of the District. The District covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Additional Obligations. The District shall not create, incur or suffer to exist any Additional Obligations unless the conditions described below are satisfied:

(i) The District may not issue or incur any Additional Senior Obligations during the term of the WIFIA Loan Agreement unless all of the following conditions are satisfied:

(A) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Senior Obligation or the date of the Contract execution of such Senior Obligation, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period; and

(B) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of

the District of the resolution authorizing the issuance of such Senior Obligation or the date of the Contract execution of such Senior Obligation, as the case may be, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued on any executed or issued Senior Obligations since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Senior Obligations had been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued had such proposed additional Senior Obligation been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period.

Notwithstanding Sections 18(a)(i)(A) and (B), any Senior Obligation to refund or prepay Senior Obligations may be delivered without satisfying the conditions set forth above if Debt Service in each District Fiscal Year after the District Fiscal Year in which such new senior obligation is issued or executed is not greater than one hundred five percent (105%) of the Debt Service which would have been payable in each such District Fiscal Year prior to the issuance or execution of such new Senior Obligation.

For the avoidance of doubt, the WIFIA Installment Purchase Agreement shall be treated as a Senior Obligation for purposes of Sections 18(a)(i)(A) and (B), and the District shall not issue any Additional Senior Obligations that are senior in right of payment or right of security to any Existing Senior Obligations.

(ii) The District shall not create, incur or suffer to exist any Additional Subordinate Debt on parity with the WIFIA Installment Payments unless:

(A) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of issuance or execution of such Subordinate Debt, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period; and

(B) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the issuance or the execution of such Subordinate Debt, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service

approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued on any Subordinate Debt issued since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Subordinate Debt had been issued or executed, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued had such proposed Subordinate Debt been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period.

Notwithstanding Sections 18(a)(ii)(A) and (B), any Subordinate Debt on parity with the WIFIA Installment Payments that is executed to refund or prepay Senior Obligations or other Subordinate Debt on parity with the WIFIA Installment Payments may be delivered without satisfying the conditions set forth above if Debt Service and Subordinate Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Subordinate Debt is issued or executed is not greater than one hundred five percent (105%) of the Debt Service and Subordinate Debt Service which would have been payable in each such District Fiscal Year prior to the issuance of or execution of such Subordinate Debt.

(iii) Upon the incurrence of any Additional Obligations, the District shall provide to the WIFIA Lender a certificate signed by the District's Authorized Representative (x) specifying the closing date with respect to such Additional Obligations and (y) confirming that such Additional Obligations are authorized pursuant to, and satisfy the applicable requirements under, this Section 18(a).

(iv) To the extent any Permitted Obligation consists of Tender Option Obligations, the District must maintain a Credit Facility that will pay any amounts payable by the District or the Borrower in respect of such Tender Option Obligations.

(v) The District shall not create, incur or suffer to exist any obligations of the Project that are secured by a Lien on any assets or property of the District other than the Gross Revenues.

(b) No Lien Extinguishment or Adverse Amendments. The District shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or impair the Liens on the Gross Revenues or the WIFIA Debt Service Account granted pursuant to the WIFIA Installment Purchase Agreement, (ii) amend, modify, terminate, assign, replace or supplement, or permit a waiver of any provision of, the WIFIA Installment Purchase Agreement, (iii) amend, modify, replace or supplement any Related Document to which the District is a party (other than the WIFIA Installment Purchase Agreement) or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender, including with respect to the WIFIA Lender's entitlement to a first priority security interest upon the occurrence of a Bankruptcy Related Event pursuant to Section 7(a) (*Security and Priority; Flow of Funds*) and Section 21(d) (*Events of Default and Remedies*), or could reasonably be expected to result in

a Material Adverse Effect, or (iv) terminate, assign or replace any Related Document to which the District is a party (other than (A) the WIFIA Installment Purchase Agreement and (B) Obligation Documents relating to Subordinate Obligations) in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect. The District shall not take or omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the District to secure adequate Net Revenues to meet the requirements of the WIFIA Installment Purchase Agreement.

(c) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Wastewater System, a substantial portion of the assets included in the Wastewater System, or its rights and obligations under any Construction Contract, in each case unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by the Borrower in the ordinary course of business.

(d) Restricted Payments and Transfers. The District shall not permit Gross Revenues or other assets of the Wastewater System, or any funds in any fund or account held pursuant to the WIFIA Installment Purchase Agreement or any ancillary agreement related thereto, or in any other fund or account held by or on behalf of the District, to be paid or transferred or otherwise applied for purposes other than ownership, construction and improvement, operation or maintenance of the Wastewater System.

(e) Against Sale or Other Disposition of Property.

(i) The District shall not enter into any agreement or lease which impairs the operation of the Wastewater System or any part thereof necessary to secure adequate Net Revenues to meet the requirements of the WIFIA Installment Purchase Agreement, or which would otherwise impair the rights of the Borrower under the WIFIA Installment Purchase Agreement or the operation of the Wastewater System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the WIFIA Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

(ii) Nothing herein shall restrict the ability of the District to sell any portion of the Wastewater System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Wastewater System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Wastewater System.

(f) District Fiscal Year. The District shall not at any time adopt any fiscal year other than the District Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(g) Against Competitive Facilities. The District will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and

within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any system competitive with the Wastewater System.

(h) No Defeasance. Notwithstanding anything to the contrary in any Obligation Document or document related thereto, the WIFIA Loan shall not be subject to defeasance and no amounts in respect of the WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement.

(i) Hedging. Other than Qualified Hedges, the District shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the WIFIA Lender.

(j) Variable Interest Rate Obligations. The District shall not issue any Additional Obligation that is to bear interest at a Variable Interest Rate if such issuance would cause the principal amount of all Outstanding Variable Interest Rate Obligations to exceed twenty-five percent (25%) of the principal amount of all Outstanding Obligations.

(k) Mergers and Acquisitions. The District shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Gross Revenues and the WIFIA Debt Service Account or (B) the availability of the Gross Revenues for the payment and security of the obligations of the District under the WIFIA Installment Purchase Agreement or this Agreement; and (ii) the District provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender. In addition, the District shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

Section 19. Reporting Requirements of the Borrower.

(a) Annual Financial Statements. The Borrower shall deliver to the WIFIA Lender, as soon as available, and within one hundred eighty (180) days after the end of each Borrower Fiscal Year:

(i) to the extent the Borrower is not treated as a component unit of the District in accordance with GAAP, a copy of the audited Borrower Financial Statements as of the end of such Borrower Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied

consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein); and

(ii) together with each delivery of such audited Borrower Financial Statements, a certificate signed by the Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the annual period covered by such Borrower Financial Statements, there occurred any Default or Event of Default and, if any such Default or Event of Default shall have occurred during such period, the nature of such Default or Event of Default and the actions that the Borrower has taken or intends to take in respect thereof.

provided, that the failure of the Borrower to deliver to the WIFIA Lender the financial statements required by this Section 19(a) within such 180-day period shall not constitute a Default or an Event of Default so long as the Borrower delivers such financial statements within one hundred twenty (120) days after the end of such period.

(b) Notices.

(i) The Borrower shall, within fifteen (15) days after it learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event (provided that the Borrower shall not be obligated to provide such notice to the WIFIA Lender if notice of such event has already been provided to the WIFIA Lender by the District):

(A) Defaults; Events of Default: any Default or Event of Default;

(B) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Borrower Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower that could reasonably be expected to have a Borrower Material Adverse Effect, either individually or in the aggregate;

(C) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of fully executed amendments, modifications, replacements or supplements to any Related Document to which the Borrower is a party within ten (10) days following execution thereof; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(D) Related Document Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Related Document to which the Borrower is a party; provided that such notice can be

accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(E) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of the Borrower's principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(F) Issuance of Indebtedness: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any indebtedness (including any Additional Obligations); provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any Continuing Disclosure Agreement with respect to any Outstanding Obligations relating to annual financial information and operating data and the reporting of significant events; *provided* that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant document on EMMA; and

(H) Other Adverse Events: the occurrence of any other event or condition that could reasonably be expected to result in a Material Adverse Effect.

(ii) Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (C) (*Amendments*) or (F) (*Issuance of Indebtedness*)), the Borrower's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto; provided that the Borrower shall not be required to provide such information if and to the extent such information has been provided by the District. The Borrower shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(c) Requested Information. The Borrower shall, at any time while the WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or the Authority Revenues as the WIFIA Lender may from time to time reasonably request.

Section 20. Reporting Requirements of the District.

(a) Updated Financial Model. The District shall provide to the WIFIA Lender not later than one hundred eighty (180) days after the end of each District Fiscal Year, an Updated Financial Model demonstrating to the satisfaction of the WIFIA Lender that the District (i) has developed and identified adequate revenues to implement a plan for operating, maintaining and

repairing the Wastewater System and (ii) is, and is projected to remain, in compliance with the Rate Covenant for the current District Fiscal Year and a minimum of each of the immediately succeeding District Fiscal Years through the end of the Forecast Period. The Updated Financial Model must include the District's capital improvement plan, major maintenance plan, projected rates and charges, projected Net Revenues, projected debt outstanding and annual debt service, projected operation and maintenance costs of the Wastewater System. The delivery of any Updated Financial Model by the District to the WIFIA Lender shall constitute a representation and warranty by the District, as of the date of such delivery, that such Updated Financial Model, including the assumptions and supporting documentation, as of its date, is accurate and reasonable to the best of the District's knowledge and belief and reflects the District's reasonable expectations, using assumptions that the District believes to be reasonable, of the expected District operations.

(b) Annual Financial Statements. The District shall deliver to the WIFIA Lender, as soon as available, and within one hundred eighty (180) days after the end of each District Fiscal Year:

(i) a copy of the audited District Financial Statements as of the end of such District Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the District and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein); and

(ii) together with each delivery of such audited District Financial Statements, a certificate signed by the District's Authorized Representative, stating whether or not, to the District's knowledge, during the annual period covered by such District Financial Statements, there occurred any Default or Event of Default and, if any such Default or Event of Default shall have occurred during such period, the nature of such Default or Event of Default and the actions that the District has taken or intends to take in respect thereof.

provided, that the failure of the District to deliver to the WIFIA Lender the financial statements required by this Section 20(b) within such 180-day period shall not constitute a Default or an Event of Default so long as the District delivers such financial statements within one hundred twenty (120) days after the end of such period.

(c) Final Design Specifications. The District shall deliver to the WIFIA Lender, no later than thirty (30) days prior to any notice to proceed, the final designs, plans and specifications relating to the development and construction of the Project.

(d) Construction Reporting. The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Project, including environmental compliance, design, and construction of the Project. The District shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The District agrees to cooperate in good faith

with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information. During the period through Substantial Completion of the Project, the District shall furnish to the WIFIA Lender, on a quarterly basis, a report on the status of the Project, substantially in the form of **Exhibit J** (*Form of Quarterly Report*). The report shall be executed by the District's Authorized Representative and, for any quarter, shall be delivered to the WIFIA Lender within thirty (30) days of the following quarter (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date is a date later than the Projected Substantial Completion Date, the District shall provide in such report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay, an estimate of the impact of such delay on the capital and operating costs of the Wastewater System (if any), and a certification of the District's Authorized Representative that the new date could not reasonably be expected to result in a Material Adverse Effect.

(e) Public Benefits Report. The District shall deliver to the WIFIA Lender a report, in the form of **Exhibit K** (*Form of Public Benefits Report*) (the "**Public Benefits Report**"), (i) prior to the Effective Date, (ii) within ninety (90) days following the Substantial Completion Date and (iii) within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date. The District agrees that information described under this Section 20(e) may be made publicly available by the WIFIA Lender at its discretion.

(f) Modifications to Total Project Costs. For the period through the Substantial Completion Date, the District shall provide the WIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than ten percent (10%), which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Wastewater System. The District's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project, does not materially impair the WIFIA Lender's security or the ability of the Borrower to comply with its obligations under the Related Documents to which the Borrower is a party or the ability of the District to comply with its obligations under the Related Documents to which the District is a party (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(g) Operations and Maintenance. The WIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the WIFIA Lender may request from time to time, to receive reporting on the operation and management of the Project, and copies of any contracts relating to the operation and maintenance of the Project. The District agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation, or other information requested by the WIFIA Lender. The WIFIA Lender has the right, in its sole discretion, to retain such consultants or advisors, to carry out the provisions of this Section 20(g). On or prior to the Substantial Completion Date, the District shall deliver to the WIFIA Lender an operations and maintenance manual with respect to the Project, in form and substance reasonably acceptable to the WIFIA Lender.

(h) Notices.

(i) The District shall, within fifteen (15) days after it learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event (provided that the District shall not be obligated to provide such notice to the WIFIA Lender if notice of such event has already been provided to the WIFIA Lender by the Borrower):

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit I** (*Form of Certificate of Substantial Completion*);

(B) Defaults; Events of Default: any Default or Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the District before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the District in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the District that, in each case, could reasonably be expected to have a District Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the District that could reasonably be expected to have a District Material Adverse Effect, either individually or in the aggregate;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the District's plans to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation or material change in finding under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of fully executed amendments, modifications, replacements or supplements to any Related Document to which the District is a party within ten (10) days following execution thereof; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Related Document Defaults: any material breach or default or event of default on the part of the District or any other party under any Related Document to which the District is a party; provided that such notice can be

accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(H) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Project;

(I) Ratings Changes: any change in the rating assigned to the WIFIA Loan or any other Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations) by any Nationally Recognized Rating Agency that has provided a public rating on the WIFIA Loan or such Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations), and any notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(J) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the District to disclose information previously required to have been disclosed or due to the District or any of the District's principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(K) Additional Construction Contracts: copies of any executed Additional Construction Contracts (together with any related contracts, side letters or other understandings);

(L) Issuance of Obligations: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any Additional Obligations (including any Variable Interest Rate Obligations); provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(M) Amendments to Policies: any material amendment or modification to the Investment Policy or the Debt Management Policy, along with a copy of such amendment or modification; and

(N) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty or any holder of any Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations), that could reasonably be expected to result in a Material Adverse Effect or have a material and adverse effect on the Project.

(ii) Within thirty (30) calendar days after the District learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (A) (*Substantial Completion*), (F) (*Amendments*), (I) (*Ratings Changes*) (in the case of a ratings upgrade),

(K) (*Additional Construction Contracts*), (L) (*Issuance of Obligations*), or (M) (*Amendments to Policies*)), the District's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the District proposes to take with respect thereto. The District shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(i) Requested Information. The District shall, at any time while the WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the District or regarding the Wastewater System (including the Project), the WIFIA Debt Service Account or the Gross Revenues as the WIFIA Lender may from time to time reasonably request.

ARTICLE VI
EVENTS OF DEFAULT

Section 21. Events of Default and Remedies.

(a) A "**Borrower Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) Borrower Payment Default. The Borrower shall fail to pay when due any part of the principal amount of or interest on the WIFIA Loan (including WIFIA Debt Service required to have been paid pursuant to the provisions of Section 8 (*Payment of Principal and Interest*)), when and as the payment thereof shall be required under this Agreement or the WIFIA Note or on the Final Maturity Date (each such failure, a "**Borrower Payment Default**").

(ii) Borrower Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the WIFIA Note or any other WIFIA Loan Document to which the Borrower is a party (other than in the case of any Borrower Payment Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA Lender of written notice thereof or (B) the Borrower's knowledge of such failure; provided that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Borrower Event of Default shall be deemed to have occurred or be continuing under this Section 21(a)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Borrower Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to any WIFIA Loan Document to which the Borrower is a party (or in any certificates delivered by the Borrower in connection with any WIFIA Loan Document to which the Borrower is a party)

shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty or certification that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Borrower Event of Default shall be deemed to have occurred under this Section 21(a)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(h) (*Representations and Warranties of the Borrower – No Debarment*), Section 12(j) (*Representations and Warranties of the Borrower – Compliance with Laws*), or Section 12(t) (*Representations and Warranties of the Borrower – Patriot Act*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Borrower Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days after the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Acceleration of Obligations. Any acceleration shall occur of the maturity of any indebtedness of the Borrower incurred in connection with the Obligations of the District, or any such indebtedness of the Borrower shall not be paid by the Borrower in full upon the final maturity thereof.

(v) Borrower Material Adverse Judgment. Any final, non-appealable judgment related to the Authority Revenues shall be entered against the Borrower which has a Material Adverse Effect.

(vi) Occurrence of Borrower Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the Borrower.

(vii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document to which the Borrower is a party ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) this Agreement ceases to grant a valid and binding security interest on any material portion of the Authority Revenues, other than as a result of actions or a failure to act by, and within the control of, the WIFIA Lender; or (C) any event occurs that results in the material impairment in the priority of (1) the Borrower's security interest in the Gross Revenues or in the value of the Gross Revenues, (2) the WIFIA Lender's security interest in the Authority Revenues or in the value of the Authority Revenues or (3) the Borrower's security interest in the WIFIA Debt Service Account or the assignment to the WIFIA Lender of the Borrower's rights thereto.

(b) A "**District Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) District Payment Default. (A) The District shall fail to pay when due any part of any WIFIA Installment Payment required to have been paid pursuant to the provisions of the WIFIA Installment Purchase Agreement or (B) the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall fail to make any mandatory prepayment required pursuant to the provisions of Section 9 (*Prepayment*) (each such failure, an "**District Payment Default**").

(ii) District Covenant Default. The District shall fail to observe or perform any covenant, agreement or obligation of the District under this Agreement, the WIFIA Installment Purchase Agreement or any other WIFIA Loan Document to which the District is a party (other than in the case of any District Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the District from the WIFIA Lender of written notice thereof or (B) the District's knowledge of such failure; provided that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 21(b)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the District shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) District Misrepresentation Default. Any of the representations, warranties or certifications of the District made in or delivered pursuant to any WIFIA Loan Document to which the District is a party (or in any certificates delivered by the District in connection with any WIFIA Loan Document to which the District is a party) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty or certification that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no District Event of Default shall be deemed to have occurred under this Section 21(b)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 13(h) (*Representations and Warranties of the District – No Debarment*), Section 13(j) (*Representations and Warranties of the District – Compliance with Laws*), or Section 13(w) (*Representations and Warranties of the District – Patriot Act*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a District Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the District within thirty (30) days after the date on which the District first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Acceleration of Obligations. Any acceleration shall occur of the maturity of any Obligation of the District, or any such Obligation of the District shall not be paid by the District in full upon the final maturity thereof.

(v) Cross Default with Obligation Documents. Any default shall occur in respect of the performance of any covenant, agreement or obligation of the District under any Obligation Document relating to any Senior Obligation or any Subordinate Obligation (other than the obligations under the WIFIA Loan Documents), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in such Obligation Document relating to any Subordinate Obligation or any Senior Obligation (as the case may be) with respect to such default, and the District shall have failed to cure such default or to obtain an effective written waiver thereof in accordance with the terms thereof.

(vi) District Material Adverse Judgment. Any final, non-appealable judgment related to the Gross Revenues, the Wastewater System or the Project shall be entered against the District which has a Material Adverse Effect.

(vii) Occurrence of District Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the District.

(viii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document to which the District is a party ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the District contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; or (B) the WIFIA Installment Purchase Agreement ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the District Collateral, and with the priority purported to be created thereby.

(ix) Development Default. A Development Default shall occur.

(x) Cessation of Wastewater System Operations. Following the Substantial Completion Date, operation of the Wastewater System shall cease for a continuous period of not less than one hundred eighty (180) days unless (A) such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the District (and which the District could not reasonably have avoided or mitigated) or (B) the District shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the District is entitled to recover amounts sufficient to pay (and may use such amounts to pay), Debt Service for all Senior Obligations and Subordinate Debt Service for all Subordinate Obligations and costs and expenses of the District during such cessation of operations.

(c) Upon the occurrence of any Bankruptcy Related Event other than, solely with respect to clause (i), any Bankruptcy Related Event under clause (b)(iii) of the definition thereof, (i) all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated, and the Outstanding WIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note or the

other WIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived, and (ii) the lien provisions of Section 7(a) (*Security and Priority; Flow of Funds*) relating to a first priority security interest shall automatically be effective. Following the occurrence of a Bankruptcy Related Event, the WIFIA Lender shall have the right to inspect any and all records related to transfers of funds to and from the Revenue Fund, and the District shall deliver to the WIFIA Lender (or give the WIFIA Lender access to) any such records as the WIFIA Lender may request so as to permit the WIFIA Lender to ensure that the District is treating the WIFIA Installment Purchase Agreement (and the WIFIA Installment Payments) as a Senior Obligation in all respects, including in respect of priority of payments.

(d) Upon the acceleration of any amounts under the WIFIA Installment Purchase Agreement, all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated, and the Outstanding WIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note or the other WIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, further notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived, provided, that unless and until a Bankruptcy Related Event has occurred, the accelerated portion of the WIFIA Loan shall remain subject to the prior payment of Outstanding Senior Obligations and WIFIA Debt Service (excluding any such accelerated amounts) shall continue to be paid on each Payment Date following the payment of principal and interest then due and payable with respect to Senior Obligations.

(e) Upon the occurrence of any Event of Default, the WIFIA Lender, by written notice to the Borrower and the District, may exercise any or all of the following remedies:

(i) the WIFIA Lender may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan;

(ii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (*Interest Rate*);

(iii) the WIFIA Lender may suspend or debar the Borrower or the District (or both) from further participation in any Government program administered by the WIFIA Lender and notify other departments and agencies of such default;

(iv) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity against the Borrower for the collection of any sums due from the Borrower and unpaid hereunder or under the WIFIA Note or the other WIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this

Agreement, the WIFIA Note or the other WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the WIFIA Note or the other WIFIA Loan Documents, including directing the Borrower to exercise any rights or remedies under the WIFIA Installment Purchase Agreement pursuant to Article VIII (*Events of Default and Remedies of the Authority*) thereto;

(v) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity against the District for the collection of any sums due from the District and unpaid hereunder or under the WIFIA Installment Purchase Agreement, and may prosecute any such judgment or final decree against the District and collect in the manner provided by law out of the property of the District the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the District under this Agreement or the WIFIA Installment Purchase Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the District under this Agreement or the WIFIA Installment Purchase Agreement; and

(vi) the WIFIA Lender may declare the unpaid principal amount of the WIFIA Note to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note and the other WIFIA Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived, provided, that unless and until a Bankruptcy Related Event has occurred, the accelerated portion of the WIFIA Loan shall remain subject to the prior payment of Outstanding Senior Obligations and WIFIA Debt Service (excluding any such accelerated amounts) shall continue to be paid on each Payment Date following the payment of principal and interest then due and payable with respect to Senior Obligations.

Following the delivery of any written notice to the Borrower and the District pursuant to this Section 21(e), the WIFIA Lender shall have the ongoing right to inspect any and all records related to transfers of funds to and from the Revenue Fund, and the District shall deliver to the WIFIA Lender (or give the WIFIA Lender access to) any such records as the WIFIA Lender may request so as to permit the WIFIA Lender to ensure that the District has appropriately paid amounts payable in respect of the WIFIA Loan (and the WIFIA Installment Payments), including in respect of priority of payments.

(f) Notwithstanding anything to the contrary set forth in any WIFIA Loan Document, the Borrower shall not have the right to (i) accelerate the WIFIA Installment Payments or (ii) exercise any other rights or remedies under the WIFIA Installment Purchase Agreement following the occurrence of an "Event of Default" under and as defined in the WIFIA Installment Purchase Agreement without the prior written direction of the WIFIA Lender.

(g) No action taken pursuant to this Section 21 shall relieve either the Borrower or the District from its obligations pursuant to this Agreement, the WIFIA Note or the other WIFIA Loan Documents, all of which shall survive any such action.

ARTICLE VII
MISCELLANEOUS

Section 22. Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement or the Wastewater System (including the Project) or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Agreement.

Section 23. No Personal Recourse. No official, employee or agent of the WIFIA Lender or either the Borrower or the District or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable on this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 24. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the District, the Government, or the WIFIA Lender, solely by virtue of the WIFIA Loan, and the Borrower and the District each agree to indemnify on a joint and several basis and hold the WIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless, to the extent permitted by law and in accordance with Section 37 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the WIFIA Loan, and that no third party creditor of either the Borrower or the District shall have any right against the WIFIA Lender with respect to the WIFIA Loan made pursuant to this Agreement.

Section 25. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 26. District's Authorized Representative. The District shall at all times have appointed a District's Authorized Representative by designating such Person or Persons from time to time to act on the District's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the District.

Section 27. WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 36 (*Notices*), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall

provide notice to the Borrower and the District within a reasonable time period following the succession.

Section 28. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Note. The WIFIA Lender shall give the Borrower and the District written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Note. The Borrower and the District shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder. Neither the Borrower nor the District shall be required to agree to any terms and conditions different from those set forth in this Agreement; provided, that any consent from the Borrower or the District to such changed terms or conditions shall not be unreasonably withheld, conditioned or delayed.

Section 29. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement shall in any event be effective without the prior written consent of each of the parties hereto.

Section 30. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 31. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 32. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the rights nor obligations of the Borrower hereunder nor any interest herein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender. Neither the rights nor obligations of the District hereunder nor any interest herein may be assigned or delegated by the District without the prior written consent of the WIFIA Lender.

Section 33. Remedies Not Exclusive. No remedy conferred herein or reserved to the WIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 34. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided hereunder upon a default of either the Borrower or the District (except a delay or omission pursuant to a written waiver) shall impair any such right or

remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

Section 35. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 36 (*Notices*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 36. Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to WIFIA Lender:	Environmental Protection Agency WJC-W 6201A 1200 Pennsylvania Avenue NW Washington, D.C. 20460 Attention: WIFIA Director Email: WIFIA_Portfolio@epa.gov
If to Borrower:	Union Sanitary District Financing Authority 5072 Benson Road Union City, CA 94587 Attention: Mark Carlson, Treasurer Email: markc@unionsanitary.ca.gov
If to District:	Union Sanitary District 5072 Benson Road Union City, CA 94587 Attention: Mark Carlson, CFO/Business Services Manager Email: markc@unionsanitary.ca.gov

Unless otherwise instructed by the WIFIA Lender's Authorized Representative, all notices to the WIFIA Lender should be made by email to the email address noted above for the WIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by the Borrower's Authorized Representative, with respect to notices to the Borrower, or by the District's Authorized Representative, with respect to notices to the District, or by the WIFIA Lender's Authorized Representative, with respect to notices to the WIFIA Lender or the Servicer. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized

courier service, when delivered at the address specified in this Section 36 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 36 (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day. Notwithstanding the foregoing, nothing in this Section 36 obligates the District to pay principal of or interest on the WIFIA Loan or the WIFIA Note.

Section 37. Indemnification. The Borrower and the District shall, to the extent permitted by law, indemnify on a joint and several basis the WIFIA Lender and any official, employee, agent, advisor or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the WIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower and the District shall each be entitled, at its expense, to participate in the defense thereof; provided that such Indemnitee has the right to retain its own counsel, at the expense of the Borrower or the District, as applicable, and such participation by the Borrower and/or the District in the defense thereof shall not release the Borrower or the District of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 37 is made shall be entitled, after consultation with the Borrower and the District and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower and the District for purposes of this Section 37. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, none of the Borrower, the District, or the WIFIA Lender shall assert, and the Borrower, the District, and the WIFIA Lender each hereby waives, any claim against any Indemnitee, the Borrower, or the District, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the WIFIA Loan or the use of the proceeds thereof, provided that nothing in this sentence shall limit the Borrower's or the District's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 37 shall be payable promptly upon demand therefor. The obligations of the Borrower and the District under

this Section 37 shall survive the payment or prepayment in full of the WIFIA Note pursuant to Section 8 (*Payment of Principal and Interest*) or Section 9 (*Prepayment*), the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 37) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower or the District hereunder or thereunder.

Section 38. Sale of WIFIA Loan. The WIFIA Lender shall not sell the WIFIA Loan at any time prior to the Substantial Completion Date. After such date, the WIFIA Lender may sell the WIFIA Loan to another entity or reoffer the WIFIA Loan into the capital markets only in accordance with the provisions of this Section 38. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA Lender shall not change the terms and conditions of the WIFIA Loan without the prior written consent of the Borrower and the District in accordance with Section 29 (*Amendments and Waivers*). The WIFIA Lender shall provide, at least sixty (60) days prior to any sale or reoffering of the WIFIA Loan, written notice to the Borrower and the District of the WIFIA Lender's intention to consummate such a sale or reoffering; provided that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 38 shall neither (x) obligate the WIFIA Lender to sell nor (y) provide either of the Borrower or the District with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell the WIFIA Loan. Neither the Borrower nor the District shall be required to agree to terms and conditions different from those set forth in this Agreement, provide or make any representation with respect to any information prepared in connection with such sale or reoffering or provide any opinions of Bond Counsel, or General Counsel of the District or of the Borrower in connection with such sale or reoffering; provided, that any consent from the Borrower or the District to such changed terms or conditions shall not be unreasonably withheld, conditioned or delayed.

Section 39. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 40. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 37 (*Indemnification*), the reporting and record keeping requirements of Section 15(l) (*Affirmative Covenants of the Borrower – Access; Records*) and Section 17(p) (*Affirmative Covenants of the District – Access; Records*), and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 41. Integration. This Agreement, together with the other WIFIA Loan Documents, constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[*The remainder of this page intentionally left blank; signature pages immediately follow*.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

UNION SANITARY DISTRICT FINANCING AUTHORITY, by its authorized representative

By: _____
Name:
Title:

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency

By: _____
Name: Michael S. Regan
Title: Administrator

SCHEDULE I[4]

PROJECT BUDGET

SOURCES OF FUNDS	AMOUNT ($ USD)	PERCENTAGE (%)
WIFIA Loan	$249,660,876	49%
2021 Revenue Bonds	$80,000,000	16%
Future Bonds or SRF Loan	$151,239,807	30%
Previously Incurred Costs	$10,441,566	2%
Note Premium or Cash	$18,169,743	3%
Total Sources of Funds	$509,511,992	100%
USES OF FUNDS	**AMOUNT ($ USD)**	**PERCENTAGE (%)**
Construction	$393,345,265	77%
Design	$22,523,656	4%
Planning	$1,230,364	0%
Other	$64,608,803	13%
Contingency	$9,634,161	2%
Financing Costs	$18,169,743	4%
Total Uses of Funds	$509,511,992	100%
Total Eligible Project Costs	$509,511,992	100%
Total Project Costs	$509,511,992	100%

[4] **Note to Borrower**: Schedule I under review by EPA. The amounts included here correspond to the most recently provided project budget, but they have been rounded down to the nearest dollar to be consistent with the requested WIFIA Loan Amount and previous practice. Please confirm this approach works.

SCHEDULE II

CONSTRUCTION SCHEDULE

Project Schedule (please enter dates in MM/YYYY)				
Date and source of schedule information	wifia_application_-_section_e_FINAL_rev 08-23-21.xls Email from Curtis Bosick (10/19) with construction schedule update for Phase 1A			
Project Element	**Design Start**	**Design End**	**Construction Start**	**Construction End**
Phase 1A – Aeration Basins	07/2020	07/2021	01/2022	07/2025
Phase 1A – Campus Buildings	07/2020	10/2021	01/2022	12/2023
Phase 1B – Secondary Clarifier, Effluent Facilities	07/2020	10/2023	01/2024	03/2027
Phase 1C – Plant Equalization Storage	01/2024	01/2027	03/2027	07/2028

SCHEDULE III

EXISTING INDEBTEDNESS

A. Senior Obligations

#		[5]
1.	Installment Purchase Agreement, dated as of January 1, 2020, by and between the District and the Borrower relating to the Union Sanitary District Financing Authority Revenue Bonds, Series 2020A, originally issued in the aggregate principal amount of $64,160,000 on February 20, 2020	$59,295,000
2.	Installment Purchase Agreement, dated as of January 1, 2020, by and between the District and the Borrower, relating to the Union Sanitary District Financing Authority Revenue Bonds, Series 2021A, originally issued in the aggregate principal amount of $99,505,000 on August 12, 2021	$99,505,000

B. Subordinate Obligations

#		[6]
	None.	

[5] As of Effective Date

[6] As of Effective Date

SCHEDULE IV-A

WIFIA LOAN PAYMENT INSTRUCTIONS

HOW TO MAKE A LOAN PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours
Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

OPTION 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.

Access the Pay.gov system by going to **https://www.pay.gov** and search for WIFIA or click on the following hyperlink to directly launch the **WIFIA Loan Collection & Fees Form**.

Provide the following information on your payment to ensure proper credit:

- Remitter's contact phone number
- Company/Organization Name as it appears on EPA document
- Complete address, including city, state, zip code
- Project Name
- Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
- From the "Payment Type" drop down menu select "**Loan Payment**"

Follow the remaining on-screen instructions to successfully process the payment to EPA.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

OPTION 2 FEDWIRE

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

1. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
2. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	**1000**
{2000}	Amount	**$**
{3400}	Receiver ABA routing number *	**021030004**
{3400}	Receiver ABA short name	**TREAS NYC**
{3600}	Business Function Code	**CTR** *(or CTP)*
{4200}	Beneficiary Identifier (account number)	**868010099000**
{4200}	Beneficiary Name	**US EPA**
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	**FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)**
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

***** The financial institution address for Treasury's routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
US Environmental Protection Agency
Office of the Controller
Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

SCHEDULE IV-B

WIFIA FEE PAYMENT INSTRUCTIONS

HOW TO MAKE A FEE PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours
Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

OPTION 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.

Access the Pay.gov system by going to **https://www.pay.gov** and search for WIFIA or click on the following hyperlink to directly launch the **WIFIA Loan Collection & Fees Form**.

Provide the following information on your payment to ensure proper credit:

- Remitter's contact phone number
- Company/Organization Name as it appears on EPA document
- Complete address, including city, state, zip code
- Project Name
- Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
- From the "Payment Type" drop down menu select the type from the Fee Notice letter

- Other Description: please note the reference number from the Fee Notice letter

Follow the remaining on-screen instructions to successfully process the payment to EPA.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

OPTION 2 CREDIT GATEWAY: FEDWIRE AND ACH

Depending on preferences, Credit Gateway allows users to submit payment either via FedWire (electronic interbank transfers) or ACH (direct deposit). The primary differences are:

	FedWire	ACH (Automated Clearing House)
Fees	Charges fees	Less expensive than FedWire
Transaction Speed	Faster transfers	May take up to a few days
Security	Less secure	More secure
International Capabilities	Can be sent internationally	U.S.-only network
Processing time	Within 24 hours	A few hours to several days

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

3. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
4. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

AUTOMATED CLEARING HOUSE (ACH)

To process payments using ACH please:

1. Send ACH payments as early as possible and no later than 3 business days before the desired EPA receipt date.
2. Review the ACH form Instructions provided in Attachment 2 and complete the form. It is important that all relevant details identified in the instructions are accurate.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that the payment has been made.

OPTION 3 CHECK PAYMENTS

UNAVAILABLE DUE TO COVID19 PANDEMIC. EPA CANNOT PROCESS CHECKS AT THIS TIME.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	**1000**
{2000}	Amount	
{3400}	Receiver ABA routing number *	**021030004**
{3400}	Receiver ABA short name	**TREAS NYC**
{3600}	Business Function Code	**CTR** *(or CTP)*
{4200}	Beneficiary Identifier (account number)	**868010099000**
{4200}	Beneficiary Name	**US EPA**
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	**FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)**
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

***** The financial institution address for Treasury's routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
US Environmental Protection Agency
Office of the Controller
Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

Attachment 2 - ACH Credit Gateway Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Automated Clearing House (ACH) credits to the United States Environmental Protection Agency.

NACHA Record Type Code	NACHA Field	NACHA Data Element Name	Required Information
5	3	Company Name	
5	6	Standard Entry Class Code	**CCD**
5	9	Effective Entry Date	
6	2	Transaction Code*	**22**
6	3 & 4	Receiving DFI Identification (ABA routing #) @	**051036706**
6	5	DFI Account Number	**868010099000**
6	6	Amount	*(enter payment amount)*
6	8	Receiving Company Name	**US EPA** **FEE TYPE – WIFIA (Loan Number-Fee Type)**

ACH bank information:
Name: Credit Gateway – ACH Receiver
Address: 33 Livingston Ave. St. Paul, MN 55107
Phone number: 1-877-815-1206

Agency Contact:

Collections Inquiry Mailbox
Fees and Collections Branch
Office of the Controller
US Environmental Protection Agency
Collections_Inquiry_Mailbox@epa.gov

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
United States Environmental Protection Agency

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☑ Other (see instructions) ▶ Federal Agency

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1300 Pennsylvania Ave NW, Mail Code 2733R

Requester's name and address (optional)

6 City, state, and ZIP code
Washington, DC 20004-3002

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number
☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number
5 2 – 0 8 5 2 6 9 5

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ Date ▶ 12/17/19

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

Cat. No. 10231X Form **W-9** (Rev. 10-2018)

Schedule IV-B-5

SCHEDULE 13(m)

CONSTRUCTION CONTRACTS

A. Existing Construction Contracts

Contract	Date	Parties	Description
None	-	-	-

B. Additional Construction Contracts[7]

Contract	Expected Effective Date (if known)	Parties	Description
-	-	-	-

[7] **Note to the District:** To be completed by the District.

EXHIBIT A

FORM OF WIFIA NOTE

UNION SANITARY DISTRICT FINANCING AUTHORITY

ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS

(WIFIA – N20104CA)

WIFIA NOTE

Maximum Principal Amount: [$249,660,876] (excluding capitalized interest)

Interest Rate	Bond Date	CUSIP
[___]%	[_____], 2021	90811Q

Final Maturity Date

The earlier of (a) March 1, 2063, or such earlier date as is set forth in an updated Exhibit F to the WIFIA Loan Agreement (as defined below) pursuant to Section 8(d) of the WIFIA Loan Agreement; and (b) the Payment Date (as defined in the WIFIA Loan Agreement) immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date (as defined in the WIFIA Loan Agreement).

UNION SANITARY DISTRICT FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "**Borrower**"), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the "**WIFIA Lender**"), the aggregate of all disbursements up to a maximum aggregate principal amount of [$249,660,876] (excluding capitalized interest) made by the WIFIA Lender pursuant to the WIFIA Loan Agreement (as defined below) (the "**Disbursements**" and such amount *minus* the aggregate principal amount thereof repaid by the Borrower, as determined in accordance with **Exhibit F** (*WIFIA Debt Service*) to the WIFIA Loan Agreement, being hereinafter referred to as the "**Outstanding Principal Sum**"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA Loan Agreement in accordance with

Exhibit F (*WIFIA Debt Service*) to the WIFIA Loan Agreement, as revised from time to time in accordance with the WIFIA Loan Agreement, until paid in full (which **Exhibit F**, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Note). The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F** to the WIFIA Loan Agreement from time to time in accordance with the terms of the WIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document.

The interest rate on this WIFIA Note shall be [___] and [____] hundredths percent ([____]%) per annum. Interest will accrue and be computed on the Outstanding Principal Sum (as well as on any past due interest) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding Principal Sum at the Default Rate (as defined in the WIFIA Loan Agreement to be an interest rate equal to the sum of (a) the WIFIA Interest Rate set forth above *plus* (b) 200 basis points) in accordance with Section 6 (*Interest Rate*) of the WIFIA Loan Agreement.

Payments hereon are to be made in accordance with Section 8(c) (*Payment of Principal and Interest – Manner of Payment*) and Section 36 (*Notices*) of the WIFIA Loan Agreement as the same become due. Principal of and interest on this WIFIA Note shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts.

This WIFIA Note has been executed under and pursuant to Resolution No. [___], adopted by the Borrower on [____], 2021 and that certain WIFIA Loan Agreement, dated as of the date hereof, among the WIFIA Lender, the Borrower and the District (the "**WIFIA Loan Agreement**") and is issued to evidence the obligation of the Borrower under the WIFIA Loan Agreement to repay the loan made by the WIFIA Lender and any other payments of any kind required to be paid by the Borrower under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for all details relating to the Borrower's obligations hereunder. All capitalized terms used in this WIFIA Note and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

This WIFIA Note may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA Loan Agreement; provided such prepayments shall be in principal amounts of $500,000 or any integral multiple of $1 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of the WIFIA Note in accordance with the WIFIA Loan Agreement.

This WIFIA Note shall be subject to acceleration on the terms and conditions set forth in the WIFIA Loan Agreement.

Payment of the obligations of the Borrower under this WIFIA Note is secured by and payable from the Authority Revenues pledged under the WIFIA Loan Agreement.

This WIFIA Note is a limited obligation of the Borrower, payable solely from the Authority Revenues, and does not constitute a debt of the members of the Borrower, the State or any of its political subdivisions (including the District), except the Borrower. Notwithstanding anything to the contrary set forth in this WIFIA Note, the District is not a borrower with respect to this WIFIA Note and the District has no obligation to make any payment or provision for payment of this WIFIA Note. This WIFIA Note does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

Any delay on the part of the WIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

It is hereby certified that all acts, conditions and things required by the Constitution and laws of the State of California and the Organizational Documents of the District and the Borrower to exist and have happened, been done, and been performed precedent to and in the issuance of this WIFIA Note exist and have happened, been done and been performed as so required and that the issuance of this WIFIA Note does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the Borrower may incur. This WIFIA Note is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, UNION SANITARY DISTRICT FINANCING AUTHORITY has caused this WIFIA Note to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

UNION SANITARY DISTRICT FINANCING AUTHORITY,
by its authorized representative

(SEAL)

By _____

Name:_____
Title:_____

ATTEST:

_____

Secretary

EXHIBIT B

ANTICIPATED WIFIA LOAN DISBURSEMENT SCHEDULE

Federal Fiscal Year	Amount
2028	$249,660,876

EXHIBIT C

FORM OF NON-DEBARMENT CERTIFICATE

The undersigned, on behalf of [UNION SANITARY DISTRICT FINANCING AUTHORITY (the "Borrower")] [UNION SANITARY DISTRICT (the "District")], hereby certifies that the [Borrower] [District] has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the [Borrower] [District] and each of the [Borrower's] [District's] principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995):

(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 the Effective Date 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 the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among the [Borrower] [District], [Union Sanitary District] [Union Sanitary District Financing Authority] and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

Dated: [_____], 2021

[UNION SANITARY DISTRICT FINANCING AUTHORITY] [UNION SANITARY DISTRICT], by its authorized representative

By: _____
Name:
Title:

EXHIBIT D-1

REQUISITION PROCEDURES

This **Exhibit D-1** sets out the procedures which the Borrower and the District agree to follow in submitting Requisitions for the disbursement of WIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the WIFIA Lender may reject or correct Requisitions submitted by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, or withhold a disbursement. The Borrower and the District expressly agree to the terms hereof, and further agree that (i) the rights of the WIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the WIFIA Lender under the WIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the WIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower or the District if it fails to carry out its obligations under the WIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, for the disbursement of WIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the WIFIA Lender and the Servicer (if any), in accordance with Section 36 (*Notices*) of the WIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the WIFIA Lender and completed and executed by the District's Authorized Representative. The form of Requisition is attached as **Appendix One** (*Form of Requisition*) to this **Exhibit D-1**. Any disbursement request shall be accompanied by a certificate completed and executed by the Borrower's Authorized Representative in the form of **Appendix Two** (*Form of Borrower Disbursement Certificate*) to this **Exhibit D-1**.

Supporting documentation should be submitted with the Requisition. If the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, anticipates that it will draw down all or a portion of the proceeds of the WIFIA Loan to reimburse the Borrower or the District for Eligible Project Costs paid by or on behalf of the Borrower or the District prior to such disbursement of WIFIA Loan proceeds, whether paid from funds of the Borrower or the District or from proceeds of Obligations issued by the District, including for the purpose of paying or redeeming such Obligations, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall deliver appropriate documentation, including invoices and records, evidencing such incurred or paid Eligible Project Costs (the "**Eligible Project Costs Documentation**"). Each time the District delivers Eligible Project Costs Documentation to the WIFIA Lender, and the Servicer (if any), the District shall also deliver to such entities a certificate, substantially in the form of **Exhibit D-2** (*Certification of Eligible Project Costs Documentation*) and duly executed by the District's Authorized Representative. The Eligible Project Costs Documentation must provide sufficient detail to enable the WIFIA Lender to verify that such costs are Eligible Project Costs paid by the Borrower or the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with the reimbursement of such Eligible Project Costs or for the purpose of paying or redeeming, in whole or part, the portion of any Interim Financing in respect of which the proceeds were used to pay such documented Eligible

Project Costs. The WIFIA Lender shall review the Eligible Project Costs Documentation for compliance with WIFIA disbursement requirements, and any amounts approved by the WIFIA Lender as Eligible Project Costs will be disbursed at such time as the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, submits a Requisition in respect of such approved amounts.

The WIFIA Lender agrees to promptly send to the District in accordance with Section 36 (*Notices*) of the WIFIA Loan Agreement, an acknowledgement of receipt of each Requisition in the form attached as **Appendix Three** (*[Approval/Disapproval] of the WIFIA Lender*) to this **Exhibit D-1** setting forth the date of receipt by the WIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the WIFIA Lender. All disbursement requests must be received by the WIFIA Lender at or before 5:00 P.M. (EST) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the WIFIA Lender, the WIFIA Lender will notify the District of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (a) submitted without signature; (b) submitted under signature of a Person other than the District's Authorized Representative; (c) submitted after prior disbursement of all proceeds of the WIFIA Loan; (d) submitted without adequate Eligible Project Costs Documentation, including (i) copies of invoices and records evidencing the Eligible Project Costs, (ii) a summary of the progress of construction of the Project and a general description of the work done for which the funds being requisitioned are being applied (or a certification that no change has occurred since the date of the latest quarterly report provided pursuant to Section 20(d) (*Reporting Requirements of the District – Construction Reporting*)), and (iii) a copy of the most recent update to the District's risk register, if requested by the WIFIA Lender.

The WIFIA Lender will notify the District of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified above (other than Section 2(c)) must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the WIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the WIFIA Lender will so notify the District.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the WIFIA Lender, after telephonic or email notification to the District, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The WIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of WIFIA Loan proceeds if: (a) a Default or an Event of Default shall have occurred and be continuing; or (b) either the Borrower or the District (i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable law, in connection with the transactions contemplated hereby; (ii) prevents or materially impairs the ability of the WIFIA Lender to monitor compliance by either the Borrower or the District with applicable law pertaining to the Project or with the terms and conditions of the WIFIA Loan Agreement; (iii) fails to observe or

comply with any applicable law, or any term or condition of the WIFIA Loan Agreement; (iv) fails to satisfy the conditions set forth in Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement; or (v) fails to deliver Eligible Project Costs Documentation satisfactory to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement; provided that in such case of Section 4(b)(v), the WIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

APPENDIX ONE TO EXHIBIT D-1

FORM OF REQUISITION

United States Environmental Protection Agency[8]
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the UNION SANITARY DISTRICT (the "**District**"), the UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, hereby requests disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement,. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

A. In connection with this Requisition the undersigned, as the District's Authorized Representative, hereby represents and certifies the following:

1.	**Project name**	Enhanced Treatment and Site Upgrade Phase 1 Projects
2.	**Borrower name**	Union Sanitary District Financing Authority

[8] If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.

3.	**WIFIA reference number**	N20104CA
4.	**Requisition number**	[___]
5.	**Requested disbursement amount**	$[___]
6.	**Requested disbursement date (the "Disbursement Date")**	[___]
7.	**Total amounts previously disbursed under the WIFIA Loan Agreement**	$[___]
8.	**Wire instructions**	[___]

1. The amounts hereby requisitioned have been paid or incurred and approved for payment by or on behalf of the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from WIFIA Loan proceeds. No portion of the amounts requisitioned will be applied to pay for Eligible Project Costs that have been previously paid, or are expected to be paid, with proceeds of any Interim Financing [.][, except as set forth below:

Source of Interim Financing	Amount of Interim Financing
[___]	$[___]
Total Amount of Interim Financing	$[___]

The portion of the amount requisitioned equal to the total amount of the Interim Financing set forth above will be promptly applied by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to either (i) discharge a like principal amount of such Interim Financing or (ii) reimburse the applicable fund or account from which the proceeds of such Interim Financing were spent.][9]

[9] This alternative should be included when requisitioned amounts are for the purpose of paying or redeeming, in whole or in part, amounts owed by the District under an Interim Financing the proceeds of which were applied to pay Eligible Project Costs.

2. The aggregate amount of all disbursements of the WIFIA Loan (including the amount requested under this Requisition) does not exceed (a) the maximum principal amount of the WIFIA Loan, (b) the amount of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, and (c) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule.

3. The Borrower and the District has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs.

4. The total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.

5. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval has been issued and is in full force and effect (and is not subject to any notice of violation, breach or revocation).

6. Each of the insurance policies maintained by the District pursuant to Section 17(f) (*Affirmative Covenants of the District – Insurance*) of the WIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

7. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), (i) no Default or Event of Default and (ii) no event of default under any other Related Document to which the District is a party, and no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document, in each case, has occurred and is continuing. No District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred since April 30, 2021.

8. The District, and each of the contractors and subcontractors at all tiers with respect to the Project, have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.

9. The representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date).

10. Each Related Document that has been delivered by the District to the WIFIA Lender pursuant to Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) is complete, fully executed and in full force and effect.

11. The current estimated percentage of physical completion of the Project is [___]%. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, is in compliance with Section 19(c) (*Reporting Requirements of the District – Construction Reporting*) and no change has occurred since the date of the most recently delivered quarterly construction progress report that could reasonably be expected to cause a Material Adverse Effect.[10]

12. All documentation evidencing the Eligible Project Costs to be reimbursed to the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, [or to be used to pay Eligible Project Costs previously paid from proceeds of any Interim Financing] by the above-requested disbursement has been delivered by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement, including the details set forth [in the attachment hereto, which is in form satisfactory to the WIFIA Lender][below:]

WIFIA USE ONLY

[10] The most recent quarterly progress report should set out a summary of the progress of construction of the Project, as well as a general description of the work done for which the funds being requisitioned are being applied and a summary of any material changes/risks. If not, PM should request additional information (including a risk register, if applicable).

Vendor or Contractor Name[11]	Invoice Number[12]	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount[13]	Activity Type[14]	Description of Activity[15]	Approved Amount	Notes

The undersigned acknowledges that if the District makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the District the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

UNION SANITARY DISTRICT,
By its authorized representative

By: _____
Name:
Title:

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[11] If seeking reimbursement for internal costs, enter "Internally financed activities."

[12] Vendor's number indicated on the invoice sent to the District.

[13] If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

[14] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

[15] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

UNION SANITARY DISTRICT FINANCING AUTHORITY,
By its authorized representative

By: _____
Name:
Title:

Exhibit D-1-9

APPENDIX TWO TO EXHIBIT D-1

FORM OF BORROWER'S DISBURSEMENT CERTIFICATE

United States Environmental Protection Agency
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS (WIFIA Ref N20104CA)

Ladies and Gentlemen:

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**"), UNION SANITARY DISTRICT (the "**District**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"). Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

Pursuant to Section 11(b)(v) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement, the undersigned, as the Borrower's Authorized Representative, hereby represents and certifies the following:

1. As of the date hereof and on the requested disbursement date (immediately after giving effect to the requested disbursement of WIFIA Loan proceeds), (a) no Default or Event of Default, and no event of default under any other Related Document to which the Borrower is a party and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document to which the Borrower is a party, in each case, has occurred and is continuing.

2. No Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since the Effective Date.

3. The Borrower has complied with all applicable laws, rules, regulations and requirements.

4. The representations and warranties of the Borrower set forth in the WIFIA Loan Agreement (including Section 12 (*Representations and Warranties of the Borrower*)) and in each other WIFIA Loan Document to which the Borrower is a party are true and correct as of the date hereof and as of the requested disbursement date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

UNION SANITARY DISTRICT FINANCING AUTHORITY,
By its authorized representative
By: _____
Name:
Title:_____

APPENDIX THREE TO EXHIBIT D-1

[APPROVAL/DISAPPROVAL] OF THE WIFIA LENDER
(To be delivered to the District)

Requisition Number [_____] is [approved in the amount of $[_____]] [approved in part in the amount of $[_____]] [not approved, for the reasons set forth in Annex A attached hereto,][16] by the WIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021, by and among the Union Sanitary District (the "**District**"), the Union Sanitary District Financing Authority (the "**Borrower**") and the United States Environmental Protection Agency, acting by and through the Administrator of the United States Environmental Protection Agency (the "**WIFIA Lender**").

Any determination, action or failure to act by the WIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the WIFIA Lender's sole discretion, and in no event shall the WIFIA Lender be responsible for or liable to the Borrower or the District for any and/or all consequence(s) which are the result thereof.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator

By: _____
WIFIA Lender's Authorized Representative
Name:
Title:
Dated:

[16] If there is any partial or full denial of approval, the WIFIA Lender should provide a separate attachment setting forth the reasons for such partial or full denial of approval.

EXHIBIT D-2

CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

[Date]

United States Environmental Protection Agency
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the UNION SANITARY DISTRICT ("the **District**"), the UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), we hereby present this certificate in connection with the District's delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

The undersigned does hereby represent and certify the following:

1. This certificate is being delivered to the WIFIA Lender in connection with the Eligible Project Costs Documentation and is applicable to the period between [_____] and [_____].

2. Documentation evidencing the Eligible Project Costs to be reimbursed to the District is set forth [in the attachment hereto, which is in form satisfactory to the WIFIA Lender][below:]

							WIFIA USE ONLY	
Vendor or Contractor Name[17]	**Invoice Number[18]**	**Invoice Date**	**Payment Date**	**Invoice Amount**	**Activity Type[19]**	**Description of Activity[20]**	**Approved Amount**	**Notes**

3. The sources of funding for such Eligible Project Costs are [listed below / set forth in Exhibit [__] to this certificate].

4. [The funds for which reimbursement will be sought were expended solely in connection with the payment or reimbursement of Eligible Project Costs.]

Date: _____

UNION SANITARY DISTRICT [21]

By: _____
Name:
Title:_____

[17] If seeking reimbursement for internal costs, enter "Internally financed activities."

[18] Vendor's number indicated on the invoice sent to the District.

[19] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

[20] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the documentation.

[21] To be executed by the District's Authorized Representative.

EXHIBIT E

FORM OF NON-LOBBYING CERTIFICATE

The undersigned, on behalf of [UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**")] [UNION SANITARY DISTRICT (the "**District**")], hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the [Borrower] [District], to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of the WIFIA Loan.

(b) If any funds other than proceeds of the WIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the WIFIA Loan, the [Borrower] [District] shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The [Borrower] [District] shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the [Borrower] [District], [Union Sanitary District] [Union Sanitary District Financing Authority] and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

This certification is a material representation of fact upon which reliance was placed when the WIFIA Lender entered into the WIFIA Loan Agreement. Submission of this certification is a prerequisite to the effectiveness of the WIFIA Loan Agreement imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Dated: [_____], 2021

[UNION SANITARY DISTRICT FINANCING AUTHORITY] [UNION SANITARY DISTRICT], by its authorized representative

By: _____
Name:
Title:

EXHIBIT F

WIFIA DEBT SERVICE[22]

[See attached]

[22] **Note to Draft:** WIFIA Underwriting to work with the District to provide an initial amortization schedule and installment payment schedule. Exhibit F to be finalized on the day of closing to account for the final interest rate.

EXHIBIT G-1

OPINIONS REQUIRED FROM COUNSEL TO THE BORROWER

An opinion of the counsel of the Borrower, dated as of the Effective Date, to the effect that:

1. The Borrower has been duly created and validly exists as a joint exercise of powers agency under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

2. The Borrower has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under, the Related Documents to which it is a party.

3. The execution and delivery by the Borrower of, and the performance of its respective obligations under, the Related Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action.

4. The Borrower has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms.

5. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the Borrower for the execution and delivery by the Borrower of, and the performance of the Borrower under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower.

6. The execution and delivery by the Borrower of, and compliance by the Borrower with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Joint Powers Agreement, (ii) violate the law of the United States of America or of the State, or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to us to which the Borrower is a party, or to the best of our knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower is subject.

7. To our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Wastewater System (including the Project) that are pending.

8. The Borrower is not entitled to claim governmental immunity in any breach of contract action under the WIFIA Borrower Documents.

9. The Borrower has duly and validly adopted the WIFIA Borrower Resolution at a meeting of the Board of Directors of the District on [_____], 2021, which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present

and acting throughout and the WIFIA Borrower Resolution is in full force and effect as of the date hereof and has not been modified, amended or rescinded;

EXHIBIT G-2

OPINIONS REQUIRED FROM THE BORROWER'S BOND COUNSEL

An opinion of bond counsel to the Borrower, dated as of the Effective Date, in substantially the follow form:

[_____]

United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: *Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)*

Ladies and Gentlemen:

We have acted as Special Counsel to the Union Sanitary District Financing Authority (the "Borrower") in connection with the execution and delivery, or adoption, by the Borrower of (i) that certain WIFIA Installment Purchase Agreement, dated as of [_____] (the "WIFIA IPA"), by and between the Borrower and the Union Sanitary District (the "District"), (ii) the WIFIA Loan Agreement, dated as of [_____] (the "WIFIA Loan Agreement"), by and among the Borrower, the District and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"), (iii) that certain WIFIA Note, dated as [_____] (the "WIFIA Note" and, collectively with the WIFIA IPA and the WIFIA Loan Agreement, the "WIFIA Borrower Documents"), delivered to the WIFIA Lender by the Borrower, and (iv) Resolution No. 2939, adopted by the Board of Directors of the Borrower on November 8, 2021 (the "WIFIA Borrower Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the WIFIA Loan Agreement.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

1. The Borrower has all requisite power and authority under the laws of the State, including but not limited to Article 4 of the Joint Exercise of Powers Act of the State, to adopt the WIFIA Borrower Resolution, to execute and deliver the WIFIA Borrower Documents and to issue the WIFIA Note, and each WIFIA Borrower Document and the WIFIA Resolution has been duly authorized, executed and delivered by the Borrower, and each WIFIA Borrower Document and the WIFIA Borrower Resolution is in full force and effect, and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms and conditions.

2. (a) The WIFIA Loan (as evidenced by the WIFIA Note) is secured by the Liens on the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an

event of default thereunder, and (b) the WIFIA Loan (as evidenced by the WIFIA Note) is enforceable under the laws of the State without any further action by the Borrower or any other Person.

3. The WIFIA Loan Agreement creates a valid and binding pledge of and lien on the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an event of default thereunder to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Loan in accordance with the WIFIA Loan Agreement, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

4. All actions by the Borrower that are required for the application of the Authority Revenues as required under the WIFIA Loan Agreement have been duly and lawfully authorized.

5. The Borrower has complied with the requirements of State law to lawfully pledge the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an event of default thereunder and to authorize the use of the Authority Revenues as required by the terms of the WIFIA Loan Agreement.

6. The Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted after the date hereof or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon, without independent verification, the accuracy of the factual matters represented, warranted or certified in such documents.

This opinion is limited to matters governed by the laws of California and the United States of America, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the WIFIA Borrower Documents and the WIFIA Borrower Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the WIFIA Borrower Documents, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets, other than the Authority Revenues, the WIFIA Debt Service Account and the WIFIA Borrower Documents, or the accuracy or sufficiency of the description of such assets, other than the Authority Revenues, the WIFIA Debt Service Account and the WIFIA Borrower Documents, or the remedies available to enforce liens on any such assets, other than the Authority Revenues and the WIFIA Debt Service Account under the WIFIA Borrower Documents. Our services as Special Counsel to the Borrower did not involve the rendering of financial or other non-legal advice to you, the Borrower, the District or any other party to the transaction.

This letter is furnished by us to you solely for your benefit and we are not assuming any professional responsibility to any other person whomsoever. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, and (b) that this opinion may be included in applicable closing transcript. We note that you have been represented by separate counsel retained by you in connection with the transaction described herein. No attorney-client relationship has existed or exists between our firm and you in connection with the WIFIA Borrower Documents or the WIFIA Borrower Resolution or by virtue of this letter.

Respectfully submitted,

EXHIBIT G-3

OPINIONS REQUIRED FROM COUNSEL TO THE DISTRICT

An opinion of the counsel of the District, dated as of the Effective Date, to the effect that:

1. The District is a sanitary district duly organized and validly existing under the Constitution and the laws of the State of California.

2. The District has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under, the WIFIA District Documents and the Construction Contracts.

3. The execution and delivery by the District of, and the performance of its obligations under, the WIFIA District Documents and the Construction Contracts have been duly authorized by all necessary organizational or regulatory action.

4. The District has duly executed and delivered each WIFIA District Document and each Construction Contract, and each such WIFIA District Document and each such Existing Construction Contract constitutes the legal, valid and binding obligation of the District, enforceable against the District in accordance with its respective terms.

5. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the District for the execution and delivery by the District of, and the performance of the District under, the WIFIA District Documents and the Construction Contracts other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the District.

6. The execution and delivery by the District of, and compliance by the District with the provisions of, the WIFIA District Documents and the Construction Contracts in each case do not (i) violate the law of the United States of America or of the State, (ii) violate any ordinance, regulation or other legislative action of the District or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to us to which the District is a party, or to the best of our knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the District is subject.

7. To our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the District by or before any court, arbitrator or any other Governmental Authority in connection with the WIFIA District Documents, the Existing Construction Contracts or the Wastewater System (including the Project) that are pending.

8. The District is not entitled to claim governmental immunity under the California Government Claims Act or any other law of the State, or under any ordinance, regulation or other legislative action of the District in any breach of contract action under the WIFIA District Documents. 9. The District has duly and validly adopted the WIFIA District Resolution at a meeting of the Board of Directors of the District on [_____], 2021, which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present

and acting throughout and the WIFIA District Resolution is in full force and effect as of the date hereof and has not been modified, amended or rescinded.

EXHIBIT G-4

OPINIONS REQUIRED FROM THE DISTRICT'S BOND COUNSEL

An opinion of the bond counsel to the District, dated as of the Effective Date, in substantially the following form:

[_____]

United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

We have acted as Special Counsel to the Union Sanitary District (the "District") in connection with the execution and delivery, or adoption, by the District of (i) that certain WIFIA Installment Purchase Agreement, dated as of [_____] (the "WIFIA IPA"), by and between the District and the Union Sanitary District Financing Authority (the "Borrower"), (ii) that certain WIFIA Loan Agreement, dated as of [_____] (the "WIFIA Loan Agreement" and collectively with the WIFIA IPA, the "WIFIA District Documents"), by and among the District, the Borrower and the United States Environmental Protection District, acting by and through the Administrator of the Environmental Protection District, and (iii) Resolution No. 2940 of the Board of Directors of the District, adopted on November 8, 2021 (the "WIFIA District Resolution"), in each case relating to the Enhanced Treatment and Site Upgrade Phase 1 Projects. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the WIFIA Loan Agreement.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

1. The District has all requisite power and authority under the laws of the State, including the Sanitary District Act of 1923, set forth at Division 6 of the California Health and Safety Code, as amended and supplemented from time to time, to adopt the WIFIA District Resolution and to execute and deliver the WIFIA District Documents. Each WIFIA District Document has been duly authorized, executed and delivered by the District, and each WIFIA District Document and the WIFIA District Resolution is in full force and effect and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its respective terms and conditions.

2. The WIFIA Installment Payments (a) are secured by liens on the District Collateral, (b) are payable from Net Revenues on a subordinate basis to Senior Obligations, (c) are Subordinate Obligations entitled to the benefits applicable to Obligations identified as such under

the WIFIA District Documents and the other Obligation Documents, (d) are enforceable under the laws of the State without any further action by the District or any other Person, and (e) rank subordinate in right of payment and right of security only to the Senior Obligations *pari passu* in right of payment and right of security with all other Subordinate Obligations that are on a *pari passu* basis with the WIFIA Installment Payments; provided, however, upon a Bankruptcy Related Event, the WIFIA Installment Payments shall be payable in accordance with the WIFIA District Documents on a parity with all Senior Obligations.

3. The WIFIA IPA creates a valid and binding assignment of the Gross Revenues and pledge of and lien on the District Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Installment Payments, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

4. All actions by the District that are required for the application of the Gross Revenues as required under the WIFIA IPA have been duly and lawfully authorized.

5. The District has complied with the requirements of State law to lawfully pledge the District Collateral and to authorize the use of the Net Revenues as required by the terms of the WIFIA IPA.

6. The District is not an investment company required to register under the Investment Company Act of 1940, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted after the date hereof or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon, without independent verification, the accuracy of the factual matters represented, warranted or certified in such documents.

This opinion is limited to matters governed by the laws of the State and the laws of the United States of America, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the WIFIA District Documents and the WIFIA District Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the WIFIA District Documents, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets, other than the District Collateral, described in or as subject to the lien of the WIFIA District Documents, or the accuracy or sufficiency of the description of such assets, other than the District Collateral, or the remedies available to enforce liens on any such assets, other than the District Collateral under the WIFIA District Documents. Our services as Special Counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District, the Borrower or any other party to the transaction.

This letter is furnished by us to you solely for your benefit and we are not assuming any professional responsibility to any other person whomsoever. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, and (b) that this opinion may be included in applicable closing transcript. We note that you have been represented by separate counsel retained by you in connection with the transaction described herein. No attorney-client relationship has existed or exists between our firm and you in connection with the WIFIA District Documents or the WIFIA District Resolution or by virtue of this letter.

Respectfully submitted,

EXHIBIT H-1

FORM OF CLOSING CERTIFICATE OF BORROWER

[_____], 2021

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among the Union Sanitary District Financing Authority, as Borrower (the "Borrower"), the Union Sanitary District, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement and section references shall refer to the WIFIA Loan Agreement.

In connection with Section 11(a) (Conditions Precedent – Conditions Precedent to Effectiveness) of the WIFIA Loan Agreement, the undersigned, President, as Borrower's Authorized Representative, does hereby certify on behalf of the Borrower and not in her personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(ix), attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the WIFIA Loan Documents to which the Borrower is a party and make the certifications of the Borrower delivered in connection therewith, and who have been appointed as a Borrower's Authorized Representative in accordance with Section 25 (Borrower's Authorized Representative) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(ii), attached hereto as Annex B are copies of each Obligation Document and Existing Construction Contract to which the Borrower is a party, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated by the WIFIA Loan Agreement have been fulfilled;

(c) pursuant to Section 11(a)(iii), attached hereto as Annex C is a copy of the Borrower's Organizational Documents, as in effect on the Effective Date, each of which Organizational Documents is in full force and effect;

(d) pursuant to Section 11(a)(v), the Borrower has delivered to the WIFIA Lender a copy of the WIFIA Borrower Resolution, the WIFIA Borrower Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party;

(e) pursuant to Section 11(a)(ix)(A), the Borrower has obtained all Governmental Approvals necessary to execute and deliver, and perform its obligations under, the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach or revocation);

(f) pursuant to Section 11(a)(ix)(B), as of the Effective Date, (i) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(g) pursuant to Section 11(a)(ix)(C), (i) the Borrower's Federal Employer Identification Number is 84-4609463, (ii) the Borrower's Data Universal Numbering System number is 118311151, and (iii) the Borrower has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex D;

(h) pursuant to Section 11(a)(ix)(D), the CUSIP number for the WIFIA Loan is 90811Q BY7;

(i) pursuant to Section 11(a)(ix)(E), the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(j) pursuant to Section 11(a)(ix)(F), no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since April 30, 2021;

(k) pursuant to Section 11(a)(xi), none of the rating letters delivered to the WIFIA Lender pursuant to such Section 11(a)(xi) has been reduced, withdrawn or suspended as of the Effective Date;

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

UNION SANITARY DISTRICT FINANCING AUTHORITY

By:_____
Name:
Title:

ANNEX A

INCUMBENCY CERTIFICATE

The undersigned certifies that she is the Secretary of the Commission of the Union Sanitary District Financing Authority, a joint exercise of powers authority duly organized and existing under the Joint Exercise of Powers Agreement, dated January 13, 2020, by and between the Union Sanitary District and the California Municipal Finance Authority, and under the Constitution and laws of the State of California (the "Borrower"), and as such she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents to which the Borrower is a party on behalf of the Borrower as the Borrower's Authorized Representative:

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of the date hereof, by and among the Borrower, the Union Sanitary District, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [___] day of [____], 2021.

UNION SANITARY DISTRICT FINANCING AUTHORITY

By:_____
Name:
Title:

EXHIBIT H-2

FORM OF CLOSING CERTIFICATE OF DISTRICT

[_____], 2021

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among Union Sanitary District Financing Authority, as Borrower (the "Borrower"), the Union Sanitary District (the "District"), and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement and section references shall refer to the WIFIA Loan Agreement. Notwithstanding anything to the contrary set forth in the WIFIA Loan Agreement, the District is not a borrower with respect to the WIFIA Loan, the WIFIA Note, or the WIFIA Loan Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan or the WIFIA Note. The WIFIA Loan Agreement does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

In connection with Section 11(a) (Conditions Precedent – Conditions Precedent to Effectiveness) of the WIFIA Loan Agreement, the undersigned, General Manager, as District's Authorized Representative, does hereby certify on behalf of the District and not in his personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(x), attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the District to execute the WIFIA Loan Documents to which the District is a party and make the certifications of the District delivered in connection therewith, and who have been appointed as a District's Authorized Representative in accordance with Section 26 (District's Authorized Representative) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(ii), attached hereto as Annex B are copies of each Obligation Document and Existing Construction Contract to which the District is a party, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated by the WIFIA Loan Agreement have been fulfilled;

(c) pursuant to Section 11(a)(iii), attached hereto as Annex C is a copy of the District's Organizational Documents, as in effect on the Effective Date, each of which Organizational Documents is in full force and effect;

(d) pursuant to Section 11(a)(iv), the District has delivered to the WIFIA Lender a copy of the WIFIA District Resolution, the WIFIA District Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the District to execute and deliver, and to perform its obligations under, the WIFIA

Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(e) pursuant to Section 11(a)(x)(A), the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;

(f) pursuant to Section 11(a)(x)(B), the District has obtained all Governmental Approvals necessary (i) as of the Effective Date in connection with the Project and (ii) to execute and deliver, and perform its obligations under, the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable and in full force and effect (and are not subject to any notice of violation, breach or revocation);

(g) pursuant to Section 11(a)(x)(C), as of the Effective Date, (i) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(h) pursuant to Section 11(a)(x)(D), the District is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(i) pursuant to Section 11(a)(x)(E), the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(j) pursuant to Section 11(a)(x)(F), (i) the District's Federal Employer Identification Number is 94-6000787, (ii) the District's Data Universal Numbering System number is 076544964, and (iii) the District has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex D;

(k) pursuant to Section 11(a)(x)(G), the representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(l) pursuant to Section 11(a)(x)(H), no District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred or arisen since April 30, 2021;

(m) pursuant to Section 11(a)(xii), attached hereto as Annex E is the Base Case Financial Model, which (i) demonstrates that projected Gross Revenues and Net Revenues and Authority Revenues are each sufficient to meet the Loan Amortization Schedule, (ii) demonstrates

compliance by the District with the Rate Covenant for each District Fiscal Year through the Final Maturity Date, (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender, and (iv) demonstrates that the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over the useful life of the Project; and

(n) pursuant to Section 11(a)(xiii), attached hereto as Annex F are certificates of insurance, and each such insurance certificate is true and correct and demonstrates compliance with the requirements of Section 17(f) (*Affirmative Covenants of the District – Insur*ance; Net Proceeds) of the WIFIA Loan Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

UNION SANITARY DISTRICT

By:_____
Name:
Title:

ANNEX A

INCUMBENCY CERTIFICATE

The undersigned certifies that she is the Secretary of the Board of the Union Sanitary District, a sanitary district duly organized and existing under the Constitution and laws of the State of California (the "District"), and as such she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the District in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents to which the District is a party on behalf of the District as the District's Authorized Representative:

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of the date hereof, by and among the District, the Union Sanitary District Financing Authority, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [___] day of [____], 2021.

UNION SANITARY DISTRICT

By:_____
Name:
Title:

EXHIBIT I

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[*Letterhead of Borrower*]

[*Date*]

Environmental Protection Agency
WIFIA Director
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, DC 20460

Project: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Dear Director:

This certificate is provided pursuant to Section 20(g)(i)(A) (*Reporting Requirements of the District – Notices – Substantial Completion*) of that certain WIFIA Loan Agreement (the "**WIFIA Loan Agreement**"), dated as of [_____], 2021 by and among Union Sanitary District Financing Authority (the "**Borrower**"), Union Sanitary District (the "**District**") and the United States Environmental Protection Agency, acting by and through its Administrator (the "**WIFIA Lender**").

Unless otherwise defined herein, all capitalized terms in this certificate have the meanings assigned to those terms in the WIFIA Loan Agreement.

I, the undersigned, in my capacity as the District's Authorized Representative and not in my individual capacity, do hereby certify to the WIFIA Lender that:

(a) on [*insert date Substantial Completion requirements were satisfied*], the Project satisfied each of the requirements for Substantial Completion set forth in the [*insert reference to the design-build or similar agreements for the Project*];

(b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and

(c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved.

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT J

FORM OF QUARTERLY REPORT

United States Environmental Protection Agency
WIFIA Director
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, DC 20460
WIFIA_Portfolio@epa.gov

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

This Quarterly Report for the period of [*insert relevant period*] is provided pursuant to Section 20(c) (*Reporting Requirements of the District – Construction Reporting*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among Union Sanitary District Financing Authority (the "**Borrower**"), Union Sanitary District (the "**District**") and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "**WIFIA Lender**"). Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Loan Agreement.

(i) Amount Expended

Construction Contract (CC)	Original Contract Amount	Change Orders to Date	Total Estimated Costs	Estimated Costs to Complete	Costs Earned or Paid Through Previous Reporting period	Current Reporting Period Costs Earned or Paid	Total Costs Earned or Paid to date	% Costs Earned or Paid to Date
TOTAL								

(ii) Construction Progress, Governmental Approvals, Updated Schedule

Assessment of overall construction progress (substantially similar in form and substance to the attached SRF Loan report for the Regional Water Quality Laboratory Agreement No. 13-815-550, which is included solely as an example report):

Notice of receipt of relevant Governmental Approvals since the Effective Date and since the prior Quarterly Report:

Assessment of construction progress compared to Construction Schedule provided in the prior Quarterly Report:

Construction Contract (CC)	NTP Effective Date	Original Time for Completion (days)	Original Contract Completion (date)	Time Added to Date (days)	Current Contract Completion (date)	Days Elapsed	% Contract Duration

(iii) Substantial Completion Date

Current projection for the Substantial Completion Date: _____

If the current projection for the substantial completion date is later than previously reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:

(iv) Material Problems (if any)

Detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any), encountered or anticipated in connection with the construction of the Project during the preceding quarter, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems:

(v) Proposed or pending change orders that exceed the threshold set out in Section 20(f) (*Reporting Requirements of the District – Modifications to Total Project Costs*) or could reasonably be expected to result in a Material Adverse Effect

(vi) Other matters related to the Project

Date: _____

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name: _____
Title:_____

EXHIBIT K

FORM OF PUBLIC BENEFITS REPORT

Pursuant to Section 11(a)(xiv) and Section 20(e) of the WIFIA Loan Agreement (as defined below), Union Sanitary District (the "**District**") is providing this Public Benefits Report in connection with the Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement dated as of [_____] (the "**WIFIA Loan Agreement**"), between the District, Union Sanitary District Finance Authority and the United States Environmental Protection Agency, acting by and through the Administrator.

Reporting Period: [Prior to the Effective Date][within ninety (90) days following the Substantial Completion Date][within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date]

(i) The number of total jobs and direct jobs projected to be created by the Project during the period between the Effective Date and the Substantial Completion Date:

WIFIA projects that the Project will create [__] total jobs, of which the District projects [__] will be direct jobs.

(ii) Indicate (yes or no) whether the Project will assist the District in complying with applicable regulatory requirements, and if yes, describe how the project assists with regulatory compliance:

Yes ☒

If yes, additional description: One of the key drivers for the Project is nutrient removal upgrades to address water quality in the San Francisco Bay. The District is voluntarily proceeding with a nutrient removal upgrade to address nutrients in the Bay. Permitted NPDES dischargers into the Bay were asked to reduce their collective nitrogen load as well as monitor for nutrients in the effluent and receiving water to support a regional and collaborative effort to implement the San Francisco Bay Nutrient Management Strategy. The reduction in nutrients will also allow better utilization of the wet weather outfall at Old Alameda Creek when necessary.

To address nutrient removal improvements, in the projects include modifications to the existing aeration basins, the addition of one new aeration basin, the construction of new secondary clarifiers, and the conversion of existing secondary clarifiers for equalization of flow. The aeration basin design will include the flexibility to operate in a step feed mode to improve and stabilize effluent quality during storm events.

No ☐

(iii) The Project will assist the District with the following environmental measure:

Measure(s): Amount by which Project will provide higher level of treatment at wastewater treatment plant (measured in MGD capacity at Substantial Completion)

Value: 33 MGD

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

[_____], 2021

Union Sanitary District
5072 Benson Road
Union City, CA 94587

Union Sanitary District Financing Authority
5072 Benson Road
Union City, CA 94587

RE: WIFIA Term Sheet for the Union Sanitary District
Enhanced Treatment and Site Upgrade Phase 1 Projects
WIFIA Project No. 20104CA

Ladies and Gentlemen:

This WIFIA Term Sheet (this "**Term Sheet**") constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the "**USEPA**"), of the application for credit assistance of the District (as defined below) received April 30, 2021 (the "**Application**") and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the "**Project**") in the form of a secured loan, pursuant to the Water Infrastructure Finance and Innovation Act ("**WIFIA**"), § 5021 *et seq*. of Public Law 113-121 (as amended by Public Law 114-94, Public Law 114-322 and Public Law 115-270) (the "**Act**"), codified as 33 U.S.C. §§ 3901-3914, subject in all respects to (i) the terms and conditions contained herein and (ii) the execution and delivery of the WIFIA loan agreement among USEPA, the District and the Borrower (as defined below) to be entered into on or after the date hereof (the "**WIFIA Loan Agreement**") and the terms and conditions contained therein. The financing shall be documented under the following three documents: (1) the WIFIA Loan Agreement; (2) an Installment Purchase Agreement, between the District and the Borrower (the "**WIFIA Installment Purchase Agreement**"); and (3) a note to be issued by the Borrower pursuant to the WIFIA Loan Agreement (the "**WIFIA Note**" and together with the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement, and certain other documents referenced in the definition thereof in the WIFIA Loan Agreement, the "**WIFIA Loan Documents**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement or the WIFIA Installment Purchase Agreement.

USEPA's agreement to provide WIFIA credit assistance to the Project is based upon the Application and the supplemental information and documents, including the base case financial model, provided to USEPA. This Term Sheet is an agreement of USEPA only to the terms specified herein, which may be modified or supplemented by USEPA in its discretion at any time and from time to time during the course of its due diligence and credit approval process.

By executing this Term Sheet, the District confirms its agreement to reimburse USEPA for any and all documented fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and

preparation of the WIFIA Loan Agreement and related documents, whether or not such agreement is ultimately executed.

This Term Sheet shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable, and the internal laws of the State of California, if and to the extent such federal laws are not applicable.

INDICATIVE TERMS OF THE WIFIA LOAN AGREEMENT

WIFIA LENDER	United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "**WIFIA Lender**").
BORROWER	The Union Sanitary District Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "**Borrower**")
DISTRICT	The Union Sanitary District, a sanitary district duly organized and existing under the laws of the State of California (the "**District**")
PROJECT	The project is for certain improvements to the District's Alvarado Wastewater Treatment Plant, which consist of the following components, as further described in the WIFIA Loan Agreement (collectively, the "**Project**"): (a) aeration basin modifications and the replacement of existing buildings, including construction of a new campus building; (b) construction of a secondary clarifier and new chlorine disinfection and effluent pumping facilities; and (c) retrofitting of the existing secondary clarifiers for plant equalization and storage.
WIFIA LOAN AMOUNT	A maximum principal amount (sum of disbursements) not to exceed $249,660,876; provided, that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs, (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal direct and indirect grants, shall not exceed eighty percent (80%) of Total Project Costs, and (c) such amount does not include any interest that may be capitalized in accordance with the WIFIA Loan Agreement and added to the principal amount of the WIFIA Loan.
INTEREST RATE	The WIFIA Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at: https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm.

	Interest shall accrue and be computed on the basis of a 360-day year of twelve (12) thirty (30) day months, and shall be compounded semi-annually. The WIFIA Loan shall also bear default interest at a rate of two hundred (200) basis points above the otherwise applicable interest rate, at such times and upon such terms as provided in the WIFIA Loan Agreement.
PAYMENT DATES	Principal of the WIFIA Loan shall be repaid in annual installments on March 1 of each year, beginning on the first March 1 occurring on or after the Debt Service Payment Commencement Date. Interest shall be paid in arrears on March 1 and September 1 of each year, beginning on the earlier of (i) the first March 1 or September 1 occurring closest to, but not later than, the fifth (5th) anniversary of the Substantial Completion Date and (ii) if the Capitalized Interest Period ends due to the occurrence of an Event of Default, the first March 1 or September 1 immediately following the end of the Capitalized Interest Period. Subject to the terms and conditions of the WIFIA Loan Agreement, no principal or interest is required to be paid during the Capitalized Interest Period.
FINAL MATURITY DATE	March 1, 2063; provided, that the Final Maturity Date shall be no later than the date that is thirty-five (35) years following the Substantial Completion Date.
PROJECTED SUBSTANTIAL COMPLETION DATE	June 30, 2028
DEDICATED SOURCE OF REPAYMENT	The dedicated source of repayment for the WIFIA Loan shall be the Gross Revenues, payable to the WIFIA Lender through the WIFIA Installment Payments received by the Borrower pursuant to or with respect to the WIFIA Installment Purchase Agreement, and all interest or gain derived from the investment of amounts in the funds or accounts established under the WIFIA Installment Purchase Agreement (the "**Authority Revenue**"). The WIFIA Installment Payments shall be payable to the WIFIA Lender as assignee of the Borrower, from¸ and secured by, the Gross Revenues of the Wastewater System in accordance with the WIFIA Installment Purchase Agreement, subject to the payment of all Operations and Maintenance Costs from Gross Revenues. The provisions below summarize the WIFIA Installment Purchase Agreement.

	"Net Revenues" means for any District Fiscal Year, the Gross Revenues for such District Fiscal Year less the Operation and Maintenance Costs for such District Fiscal Year. "**Gross Revenues**" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, including, without limiting the generality of the foregoing: (a) rates and charges collected by the District on the Alameda County, California tax roll in accordance with Section 5473 et seq. of the Health and Safety Code (or any successor provisions thereto); (b) all other income, rents, rates, fees, charges or other moneys derived by the District through the facilities of or in the conduct or operation of the business of the Wastewater System; (c) the proceeds of any stand-by or availability charges, development fees and connection charges collected by the District; and (d) the earnings on and income derived from the investment of amounts described in clauses (a), (b) and (c) above and from District reserves; but excluding: (i) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or assessments which are restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued; and (iii) gain or loss on the sale of any capital assets as permitted hereby. "Gross Revenues" also include all amounts transferred from the Parity Debt Reserve to the Revenue Fund in accordance with the WIFIA Installment Purchase Agreement. "Gross Revenues" do not include any amounts transferred from the Revenue Fund to the Parity Debt Reserve during any District Fiscal Year in accordance with the WIFIA Installment Purchase Agreement. "**Operation and Maintenance Costs**" means: (i) costs spent or incurred for maintenance and operation of the Wastewater System calculated in accordance with GAAP, including (among other things) the reasonable expenses of management and repair and

	other expenses that are necessary to maintain and preserve the Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the WIFIA Installment Purchase Agreement, the 2020 Installment Purchase Agreement, the 2020 Indenture, the 2021 Installment Purchase Agreement, the 2021 Indenture, or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (ii) costs allocable to the District under the EBDA Joint Powers Agreement which constitutes maintenance and operation costs of the EBDA calculated in accordance with GAAP; but excluding in all cases (x) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, (y) all capital charges, and (z) all amounts allocable to the District under the EBDA Joint Powers Agreement for capital costs thereof, including principal and interest on any bonds, notes or other evidence of indebtedness of EBDA. "**Wastewater System**" means the whole and each and every part of the wastewater collection, conveyance, treatment and disposal system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater system or any part thereof hereafter acquired or constructed, including recycled water facilities of the District and the District's interest in the facilities of the EBDA pursuant to the EBDA Joint Powers Agreement and related agreements. "**District Collateral**" means the Gross Revenues, all amounts that are on deposit in the Revenue Fund and amounts that are transferred from the Parity Debt Reserve to the Revenue Fund under the WIFIA Installment Purchase Agreement, the Acquisition Fund (including all amounts on deposit therein), the WIFIA Debt Service Account (including all amounts on deposit therein), and any other fund or account that is established or maintained pursuant to the WIFIA Installment Purchase Agreement (including all amounts on deposit therein) (except the Parity Debt Reserve (other than those amounts which are

	transferred by the District from the Parity Debt Reserve to the Revenue Fund)).
INSTALLMENT PAYMENTS; SECURITY AND LIEN PRIORITY; WIFIA SPRINGING LIEN	***Installment Payments*** Under the WIFIA Loan Documents, the District will acquire the Project from the Borrower, in exchange for installment payments paid by the District to the Borrower ("**WIFIA Installment Payments**"), which will be equal in time and amount to the debt service on the WIFIA Loan. Each WIFIA Installment Payment comprises a Principal Component and an Interest Component, which mimics a debt service structure under a traditional loan agreement. The WIFIA Installment Payments shall be adjusted in the same way that payments on the WIFIA Loan (as set forth in the WIFIA Loan Agreement) are adjusted. ***Security and Lien Priority*** Payment of the WIFIA Installment Payments by the District to the Borrower shall be secured by a valid and binding pledge and Lien on the District Collateral, and, subject to a Bankruptcy Related Event, subordinate to the Lien on the District Collateral (except as otherwise required by law) in favor of the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations) and on parity with other Subordinate Obligations (other than Subordinate Obligations that are subordinate to the WIFIA Installment Payments). Upon the occurrence of a Bankruptcy Related Event with respect to the District, the WIFIA Loan shall spring to parity with the Senior Obligations (including ordinary scheduled payment obligations under any hedging arrangements related to such Senior Obligations, but senior to any applicable hedging termination obligations), automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act. All Gross Revenues received by the District shall be deposited in a separately maintained fund established and held by the District (the "**Revenue Fund**") from which the District will pay, in the following order of priority: (i) first, all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable, and the remaining money on deposit shall constitute the Net Revenues, which will be used to make the payments described in clauses (ii), (iii) and

	(iv) below; (ii) second, to pay all amounts due and payable with respect to the Senior Obligations (including, upon the occurrence of a Bankruptcy Related Event of the District, the WIFIA Installment Payments), including the installment payments under the Installment Purchase Agreement, dated as of January 1, 2020, and the Installment Purchase Agreement, dated as of July 1, 2021, each between the District and the Borrower and ordinary scheduled payment obligations under any hedging arrangements related to such Senior Obligations (but prior to payment of any applicable hedging termination obligations); (iii) third, for transfer to the applicable trustee for deposit to such other reserve fund or account for Senior Obligations an amount that is equal to the amount required to be deposited therein, (iv) fourth, to pay all amounts then due and payable with respect to Subordinate Debt (as defined in the WIFIA Installment Purchase Agreement) (including, prior to the occurrence of a Bankruptcy Related Event, the WIFIA Installment Payments), (v) fifth, deposit to such other reserve fund or account for Subordinate Obligations an amount that is equal to the amount required to be deposited therein, and (vi) sixth, to pay amounts for any purpose permitted by law, including payment of Subordinate Debt that is subordinate to the WIFIA Installment Payments and deposits to the Parity Debt Reserve. Payment of the WIFIA Loan by the Borrower shall be secured by a first priority lien on, and security interest in, (i) all amounts held in the "WIFIA Debt Service Account" to be established and held by the District in accordance with the WIFIA Installment Purchase Agreement (the "**WIFIA Debt Service Account**") (including any funds and accounts therein), and (ii) the Authority Revenues received by the Borrower pursuant to the WIFIA Installment Purchase Agreement. Additionally, pursuant to the WIFIA Loan Agreement, the Borrower will assign certain of its rights under the WIFIA Installment Purchase Agreement (including the right to receive and collect the WIFIA Installment Payments) to the WIFIA Lender.
PREPAYMENT	The Borrower may prepay the WIFIA Loan in whole or in part, without penalty or premium; provided, that any such prepayment shall be in a minimum principal amount of $500,000 or any integral multiple of $1.00 in excess thereof, shall be limited to one prepayment during any 12-month period, and shall otherwise be in accordance with the WIFIA Loan Agreement.

RATE COVENANT	To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each District Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected to be at least sufficient to yield during each District Fiscal Year (i) Net Revenues equal to one hundred twenty percent (120%) of the Debt Service (as defined below) payable in such District Fiscal Year and (ii) Net Revenues remaining after payment of Debt Service equal to one hundred ten percent (110%) of Subordinate Debt Service (as defined below) payable in such District Fiscal Year.
ADDITIONAL INDEBTEDNESS	The District shall not issue or incur any Additional Obligations unless the conditions described below are satisfied: (a) The District may not issue or incur any Senior Obligations during the term of the WIFIA Loan Agreement unless all of the following conditions are satisfied: (i) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the bond issuance of such Senior Obligation or the date of the contract execution of such Senior Obligation, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period; and (ii) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the bond issuance of such Senior Obligation or the date of the contract execution of such Senior Obligation, as the case may be, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or

	Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued on any executed or issued Senior Obligations since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Senior Obligations had been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued had such proposed additional Senior Obligation been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period. Notwithstanding the foregoing, any Senior Obligation to refund or prepay Senior Obligations may be delivered without satisfying the conditions set forth above if Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Senior Obligation is issued or executed is not greater than one hundred five percent (105%) of the Debt Service which would have been payable in each such District Fiscal Year prior to the issuance or execution of such new Senior Obligation. For the avoidance of doubt, the WIFIA Installment Purchase Agreement shall be treated as a Senior Obligation for purposes of clauses (i) and (ii) above. (b) The District shall not create, incur or suffer to exist any Additional Subordinate Obligations on parity with the WIFIA Installment Payments unless: (i) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of issuance or execution of such Subordinate Obligations, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate

	Debt Service for such District Fiscal Year or other twelve (12) month period; and (ii) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the issuance or the execution of such Subordinate Obligations, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued on any Subordinate Obligations issued since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Subordinate Obligations had been issued or executed, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued had such proposed Subordinate Obligations been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period. Notwithstanding the foregoing, any Subordinate Obligations on a parity with the WIFIA Installment Payments that is executed to refund or prepay the Senior Obligations or other Subordinate Obligations on a parity with the WIFIA Installment Payments may be delivered without satisfying the conditions set forth above if Debt Service and Subordinate Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Subordinate Obligations is issued or executed is not greater than one hundred five percent (105%) of the Debt Service and Subordinate Debt Service which would have been payable in each such District Fiscal Year prior to the issuance of or execution of such Subordinate Obligations.

	The Borrower shall not without the prior written consent of the WIFIA Lender issue or incur obligations of any kind payable from, secured or supported by any of the Authority Revenues and amounts to be held in any fund or account established pursuant to the WIFIA Installment Purchase Agreement or the right, title and interest of the Borrower to the WIFIA Installment Purchase Agreement. The District shall not create, incur or suffer to exist any obligations of the Project that are secured by a Lien on any assets or property of the District other than the Gross Revenues.[1] "**Debt Service**" means, for any period of calculation, the sum of: (a) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program); (b) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal); (c) those portions of the principal amount of all outstanding term Bonds required to be paid in such period (but excluding Excluded Principal); and (d) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

[1] **Note to District:** This will be reflected in an updated draft of the WIFIA Loan Agreement.

	but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Senior Obligations; provided that, as to any such Senior Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Senior Obligation plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; provided further that if any series or issue of such Senior Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Senior Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and provided further that, as to any such Senior Obligations or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Senior Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and provided further that if the Senior Obligations constitute interest rate swap agreements or other paired obligations, the interest rate on such Senior Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Senior Obligation for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each

	preceding year, in descending order, until such amount is exhausted. "**Excluded Principal**" means each payment of principal of any applicable Obligations for which there is on file with the WIFIA Lender (i) a certificate of an Independent Municipal Consultant to the effect that such Obligation is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than sixty (60) months and (ii) a certificate of an authorized representative of the District to the effect that the District intends to pay such principal from the proceeds of Obligations or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Obligations or the obligation of the District to pay such Obligations from Net Revenues. "**Subordinate Debt Service**" means debt service on Subordinate Obligations calculated in accordance with the definition of Debt Service with respect to Senior Obligations.
RESTRICTED PAYMENTS AND TRANSFERS	The District shall not permit Gross Revenues or other assets of the Wastewater System, or any funds in any fund or account held pursuant to the WIFIA Installment Purchase Agreement or any ancillary agreement related thereto, or in any other fund or account held by or on behalf of the District, to be paid or transferred or otherwise applied for purposes other than ownership, construction and improvement, operation or maintenance of the Wastewater System.
WIFIA LOAN DOCUMENTATION	The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Loan Documents and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA Lender, the Borrower and the District, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as are typical of WIFIA loan agreements.
GOVERNING LAW	Federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State of California, if and to the extent such federal laws are not applicable.
COUNTERPARTS	This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but

	one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

[*Signature pages follow*]

If the foregoing terms are acceptable, please countersign this letter in the space indicated below.

Sincerely,

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the United States Environmental Protection Agency

By: _____
Name: Michael S. Regan
Title: Administrator

ACKNOWLEDGED AND AGREED:

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

UNION SANITARY DISTRICT FINANCING AUTHORITY,
by its authorized representative

By: _____
Name:
Title:

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
UNION SANITARY DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 12

TITLE: **AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH A WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN AND AUTHORIZING CERTAIN OTHER ACTIONS (This is a Motion Item)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO, Business Services Work Group Manager

Recommendation
Staff recommends the Board of Directors of the Union Sanitary District (USD or the District) adopt the attached resolution authorizing execution and delivery of documents in connection with the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement in support of the fixed-rate WIFIA Loan up to $249,660,876 to partially fund the ETSU projects and authorizing the execution and delivery of certain documents and other actions in connection therewith.

Discussion

On November 8, 2021, the Board approved loan documents for the WIFIA loan to fund 49% of the District's ETSU Program. A resolution with a not to exceed loan amount for $188,758,204 was approved at that meeting. The following week, the results of the Aeration Basin Modification bids were opened and revealed that the low bid exceeded the District's latest estimates by $35 million or 42%. In subsequent discussions with the EPA, two options were provided to accommodate higher project costs:

1. Proceed with the originally approved loan amount and then to reapply for an additional loan at a later date.
2. Amend the current loan application to meet anticipated higher costs.

The EPA recommended, and staff agreed, to proceed with the second option.

Staff, along with the District's project consultants, met to reevaluate ETSU project costs. The chart below represents three scenarios. They range from Option 1, which anticipates the highest inflationary and market impacts over the life of the ETSU project, to Option 3 which considers a softening of these impacts as the project progresses. Staff is recommending Option 2 as it reflects an anticipated improvement in future material prices while still taking current market factors into consideration while providing sufficient borrowing capacity if needed.

ETSU Project Cost Increase Options - Bid Adders and Anticipated Inflation			
Bid Adder Above Engineers Estimate	**Option 1**	**Option 2** Staff Recommendation	**Option 3**
AB Mods	40%	40%	40%
Campus	40%	30%	20%
Phase 1B	20%	15%	10%
Phase 1C	20%	15%	10%
Inflation Factor (year over year)			
AB Mods	8.0%	8.0%	8.0%
Campus	8.0%	8.0%	8.0%
1B	8.0%	6.0%	3.0%
1C	8.0%	6.0%	3.0%
Total Anticipated Construction Cost =	$512,060,952	$481,991,263	$419,901,309
WIFIA Loan Contingency (2%)	10,241,219	9,639,825	8,398,026
Short Term Financing (Capitalized Interest)	17,880,905	17,880,905	17,880,905
Total Anticipated Project Cost =	**$540,183,076**	**$509,511,993**	**$446,180,240**
Total WIFIA Loan Amount (49% of Total) =	**$264,689,707**	**$249,660,876**	**$218,628,318**

Not to exceed WIFIA loan amount of $188,758,204 approved by Board on 11/08/21

Staff entered Option 2 in the District's long term fiscal model and there were no short or long-term adverse effects to the current rate structure. This is directly because of the low costs of the 2021A bonds issued in September of this year as well as the favorable terms of the WIFIA

loan. Additionally, the fiscal model will further benefit if the District is able to obtain SRF financing for the remaining phases of the ETSU Program.

It's important to note that the suggested project costs above reflect maximum potential amounts. Staff will continue to search for ways to keep project costs under this amount.

Attached is a substantially final draft of the WIFIA Loan Agreement and the WIFIA Term Sheet for consideration by the Board. The Board previously approved the Installment Purchase Agreement at the November 8, 2021, meeting. That agreement has not changed since the November version except for updated dates as needed. As a result, that document does not need to be reapproved by the Board and has not been included in this staff report.

Benefits of the WIFIA loan includes:

- A single fixed interest rate is established at loan closing and is fixed for the term of the construction period and loan repayment. The District may receive multiple disbursements over several years at the same fixed interest rate or a single draw can be made within one year following substantial completion of the project.
- The WIFIA loan will be subordinated to existing District senior debt.
- WIFIA loan payments may be deferred up to five years after the project's substantial completion.
- WIFIA loans can be combined with various funding sources such as cash, State Revolving Fund loans or bonds to pay for project costs.
- The loan can be prepaid once annually in an amount not less than $500,000 and there is no prepayment penalty with the WIFIA loan.
- The WIFIA loan can be used to retire interim debt (e.g., short term notes, commercial paper or short-term loans) used to finance the ETSU project during construction to take advantage of lower short-term interest rates, if applicable. This may allow the District to reduce the cost of funding ETSU assuming interest rates and yields are favorable.

Based upon estimates of interest rates as of December 6, 2021, the 35-year WIFIA loan, which has an estimated rate of 2.00% (previously 2.15%), has net present value (NPV) savings of approximately $47 million (previously $37 million) over the life of the WIFIA Loan versus a tax-exempt debt issuance to finance the ETSU project which has an estimated rate of 2.54% (previously 2.67%). The WIFIA program sets its interest rate based on a U.S. Treasury rate plus one basis point on the date of loan closing. The rate is calculated using the weighted average life (WAL) of the loan rather than the loan maturity date. The WAL is generally shorter than the loan's actual length resulting in a lower interest rate. The WAL of the WIFIA loan is about 20 years versus the loan maturity of 35 years. The District will have the ability to use interim obligations, if economically beneficial, to fund construction needs of the WIFIA portion of the ETSU project and begin paying debt service after substantial completion.

The current plan to finance the remaining balance of the ETSU Program includes the following:

1. $80 million dollars from the 2021A Revenue Bonds issued in August of 2021.
2. $151 million dollars in future debt from either the State Revolving Fund (SRF) loan or a Revenue Bond issuance.

USD Resolution

The resolution presented for consideration authorizes the execution and delivery of the Loan and authorizes staff to finalize and execute, as applicable, the following documents in the forms attached, with any changes recommended by General Counsel or Bond Counsel and approved by the person that executes the document, namely the President, the Vice President, or the General Manager:

1. WIFIA Term Sheet - which sets forth the key terms of the WIFIA Loan.

2. WIFIA Loan Agreement - between the USDFA and EPA that governs various terms and conditions of the WIFIA Loan including, but not limited to, the term and interest rate, security for the WIFIA Loan, conditions to loan disbursements, covenants of the USDFA and the District, terms of repayment and prepayment and events of defaults and remedies.

Good Faith Estimates

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the Municipal Advisor, as required under Section 5852.1 of the California Government Code (the "Code").

a) The true interest cost of the WIFIA Loan is estimated at 2.00%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

b) The finance charge of the WIFIA Loan, including all fees and charges paid to third parties, is estimated at $530,000 (inclusive of the application fee). The annual servicing fee paid to the EPA is estimated at $15,790 before substantial completion of the project and $7,990 upon reaching substantial completion.

c) Proceeds of the WIFIA Loan to be received by the District for the execution and delivery of the loan, including the estimated principal amount of the proposed loan of $249,660,876, will be available to fund $249,660,876 of the project costs and the applicable deferred interest, if any. The finance charges set forth in (b) above are not included in the loan proceeds.

d) The total payment amount of the WIFIA Loan calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at $349,866,480.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

The resolutions being presented at this meeting approve the execution and delivery of the proposed loan and authorizes staff and the finance team to execute certain actions in connection therewith.

Background

The ETSU Program is the culmination of the District's planning efforts and is based on the outcomes and findings of the Plant Solids System/Capacity Assessment – Phases 1 and 2, Administration/Control/FMC Buildings Evaluation, the Effluent Management Study, and the Secondary Treatment Process Improvements evaluation. The program includes projects recommended for implementation that will be phased to address both immediate drivers (poor sludge settleability, treatment capacity, effluent disposal, and aging infrastructure), while preparing for future requirements such as nutrient regulations for discharge in the Bay that are currently being considered by the Regional Water Quality Control Board.

The Phase 1 and 2 projects included in this program were presented to the Board during the workshop held on May 8, 2019, and are summarized in the Final Report which was approved by the Board on August 26, 2019. A third phase of projects was briefly outlined that covered the timeframe from 2040 to 2058 and included potentially stricter nutrient limits in the more distant future. The projects identified in the ETSU Program and modified by the 30% design report to be implemented in the near-term (the next seven to ten years) are included in Phase 1 and are summarized in the table below.

Phase 1A	Aeration Basin Modifications	Retrofitting existing Aeration Basins 1 through 7 and construction of an 8th aeration basin with the flexibility to operate initially with an anaerobic selector during the implementation phase and transitioning to a biological nutrient removal (BNR) process following completion of the Phase 1B Project.
Phase 1A	Campus Building (Admin, FMC, Ops)	Construction of a new combined Campus Building, including associated site and utility improvements.
Phase 1B	Secondary Clarifiers	Construction of four new 160-foot diameter secondary clarifiers, mixed liquor control box, and centralized RAS pump station.
Phase 1B	Effluent Facilities	Construction of new chlorination/dechlorination contact basins, effluent pump stations, and relocation of existing effluent force main.
Phase 1C	Plant Equalization Storage	Retrofitting existing Secondary Clarifiers 1 through 4 to operate as primary effluent equalization basins.

The full version of the ETSU Program report, including appendices, can be found at the following link: https://unionsanitary.ca.gov/ETSU.

Previous Board Action
On January 13, 2020, the Board adopted a resolution to approve a Joint Exercise of Powers Agreement with the California Municipal Finance Authority to create the USD Financing Authority. The proposed loan will be issued by the USD Financing Authority and will be secured by payments to be made by the District to the USD Financing Authority pursuant to an installment purchase agreement in the form presented at this meeting. The terms of the loan will be governed by the WIFIA Loan Agreement in the form presented at this meeting.

On October 8, 2020, staff submitted a Letter of Interest, for the financial assistance program with the EPA WIFIA program for an estimated $188 million loan to partially fund the ETSU projects. The EPA notified the District on January 6, 2021, that the ETSU project was selected to submit an application for credit assistance. The application was submitted to the EPA on April 30, 2021.

On March 8, 2021, the Board adopted a resolution authorizing the preparation and submission of an EPA WIFIA application for the ETSU Phase 1 Project.

On November 8, 2021, the Board adopted a resolution authorizing a WIFIA loan in the amount of $188,758,204. That loan is being modified by the action of the attached resolution to this staff report.

Attachments:
USD Resolution
WIFIA Loan Agreement
WIFIA Term Sheet

UNION SANITARY DISTRICT

RESOLUTION NO. _____

A RESOLUTION OF THE UNION SANITARY DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH A WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN AND AUTHORIZING CERTAIN OTHER ACTIONS

WHEREAS, the Union Sanitary District (the "District") is a sanitary district duly organized and existing under and by virtue of the laws of the State of California; and

WHEREAS, the District is a member of the Union Sanitary District Financing Authority (the "USDFA"); and

WHEREAS, in order to acquire certain additions to the District's wastewater system (the "Project"), the District proposes to enter into an Installment Purchase Agreement (the "Installment Purchase Agreement") with USDFA, pursuant to which USDFA will acquire additions to the Project and convey such additions to the District and the District will make installment payments to USDFA in consideration thereof; and

WHEREAS, in order to fulfill its obligation to the District under the Installment Purchase Agreement, USDFA proposes to obtain a loan under the authority of the Water Infrastructure Finance and Innovation Act (the "WIFIA Loan") from the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"), pursuant to a loan agreement (the "WIFIA Loan Agreement") among USDFA, the WIFIA Lender and the District; and

WHEREAS, the Board of Directors of USDFA previously adopted Resolution No. 2939 and the Board of Directors of the District adopted Resolution No. 2940 on November 8, 2021 approving the forms of certain documents, including form of the Installment Purchase Agreement, relating to the WIFIA Loan; and

WHEREAS, since the adoption of the aforementioned resolutions on November 8, 2021, the USDFA has requested, and the WIFIA Lender has approved, an increase to the maximum amount authorized to be drawn under the WIFIA Loan and the District now desires to approve certain documents relating to the WIFIA Loan as described below, which reflect the increased amount; and

WHEREAS, the terms of the proposed WIFIA Loan are set forth in a term sheet (the "WIFIA Term Sheet") and the WIFIA Loan Agreement; and

WHEREAS, the District has agreed to execute the Installment Purchase Agreement, execute and perform certain obligations under the WIFIA Loan Agreement and execute the WIFIA

Term Sheet in each case to provide certain assurances with respect to the Project to the WIFIA Lender; and

WHEREAS, the District has determined that it is in the public interest and for the public benefit that the District acquire and construct the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UNION SANITARY DISTRICT AS FOLLOWS:

SECTION 1. The statements, findings, and determinations set forth above and in the preambles of the documents approved by this Resolution are true and correct.

SECTION 2. The WIFIA Term Sheet and the WIFIA Loan Agreement in substantially the forms on file with the Board Clerk of the District are hereby approved. The President of the Board of Directors of the District, the Vice President of the Board of Directors of the District, and the General Manager of the District (each, an "Authorized Officer") are each hereby authorized and directed to execute and deliver the WIFIA Term Sheet and the WIFIA Loan Agreement, with any changes recommended by General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel ("Bond Counsel") and approved by the Authorized Officer executing the same, with execution being conclusive evidence of such approval.

SECTION 3. Notwithstanding anything to the contrary set forth in this Resolution, the WIFIA Term Sheet or the WIFIA Loan Agreement, the District is not a borrower with respect to the WIFIA Loan, the WIFIA Note, or the WIFIA Loan Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan or the WIFIA Note. The WIFIA Loan Agreement shall not constitute a contract between the District and the WIFIA Lender by which the District incurs an indebtedness.

SECTION 4. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

SECTION 5. Each Authorized Officer and the Business Services Work Group Manager/Chief Financial Officer of the District or the designee thereof and any other proper officers of the District, acting singly, are each authorized and directed to do any and all things and to execute and deliver any and all documents and certificates which such officers may deem necessary or advisable in order to consummate the delivery of the Installment Purchase Agreement, the WIFIA Term Sheet, the WIFIA Loan Agreement and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 6. The Board of Directors hereby finds that the proposed acquisition and construction of the Project as authorized by this Resolution is consistent with the District's Debt Management Policy (Policy No. 2060) (the "Policy") and, to the extent that such proposed acquisition and construction is inconsistent with any provisions of the Policy, such provisions of the Policy are hereby waived.

SECTION 7. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the WIFIA Loan Agreement unless the context otherwise clearly requires.

SECTION 8. This Resolution shall take effect immediately upon its passage.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was passed and adopted by the Board of Directors of the Union Sanitary District this 13th day of December, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Pat Kite
President of the Board of Directors
Union Sanitary District

_____

Manny Fernandez
Secretary, Board of Directors
Union Sanitary District

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

WIFIA LOAN AGREEMENT

For Up to [$249,660,876]

With

UNION SANITARY DISTRICT FINANCING AUTHORITY and

UNION SANITARY DISTRICT

For the

ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS
(WIFIA – N20104CA)

Dated as of [_____], 2021

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WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this "**Agreement")**, dated as of [_____], 2021, is by and among **UNION SANITARY DISTRICT FINANCING AUTHORITY**, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State, with an address at 5072 Benson Road, Union City, CA 94587 (the "**Borrower**"), **UNION SANITARY DISTRICT**, a sanitary district duly organized and existing under and by virtue of the laws of the State of California (the "**State**"), with an address at 5072 Benson Road, Union City, CA 94587 (the "**District**"), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "**Administrator**"), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the "**WIFIA Lender**").

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America's Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America's Water Infrastructure Act of 2018 (collectively, as the same may be amended from time to time, the "**Act**" or "**WIFIA**"), which is codified as 33 U.S.C. §§ 3901-3914;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower is a joint exercise of powers authority duly organized and existing under and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended (the "**JPA Act**");

WHEREAS, the JPA Act authorizes and empowers the Borrower to issue revenue bonds and notes to assist the District in acquiring public capital improvements;

WHEREAS, the District desires to acquire the Project (as defined herein);

WHEREAS, the Borrower and the District have determined that the acquisition of the Project is necessary and proper for the District and is in the public interest, and the Borrower has determined to assist the District in the foregoing;

WHEREAS, the District has requested that the WIFIA Lender make the WIFIA Loan (as defined herein) to the Borrower in a principal amount not to exceed $[249,660,876] (excluding capitalized interest) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project pursuant to the application for WIFIA financial assistance dated April 30, 2021 (the "**Application**");

WHEREAS, the District and the Borrower have entered into an Installment Purchase Agreement, dated as of January 1, 2020 (as amended, modified or supplemented from time to time, the "**2020 Installment Purchase Agreement**"), and an Installment Purchase Agreement, dated as

of July 1, 2021 (as amended, modified or supplemented from time to time, the "**2021 Installment Purchase Agreement**"), for the purpose of financing and refinancing certain improvements, betterments, renovations and expansions of facilities within the Wastewater System (as defined herein), including, with respect to the 2021 Installment Purchase Agreement, the Project;

WHEREAS, the District and the Borrower have entered into that certain Installment Purchase Agreement, dated as of October [__], 2021 (as amended, modified or supplemented from time to time, the "**WIFIA Installment Purchase Agreement**") pursuant to which the District will purchase the Project from the Borrower in exchange for the payment of installment payments by the District to the Borrower, such installment payments being secured by a pledge of the Gross Revenues (as defined herein) and certain other amounts;

WHEREAS, in order to achieve the foregoing, the Borrower has authorized the issuance of the WIFIA Note (as defined herein), pursuant to the JPA Act, in the aggregate principal amount of $249,660,876 (excluding capitalized interest);

WHEREAS, as of the date hereof, the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Note, upon the terms and conditions set forth herein;

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the WIFIA Note in accordance with the terms and provisions hereof and of the WIFIA Note;

WHEREAS, the Borrower has agreed to pledge and assign to the WIFIA Lender and grant to the WIFIA Lender certain Liens (as defined herein) for the benefit of the WIFIA Lender on (i) all of the Borrower's right, title and interest to receive the Authority Revenues (as defined herein), (ii) all of its rights with respect to the WIFIA Debt Service Account (as defined herein) and (iii) all of its rights and remedies to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder, in each case for the purpose of securing (x) the payment of all sums due and owing by the Borrower to the WIFIA Lender under this Agreement and (y) the observance, performance and discharge of each agreement, condition, covenant and term of the Borrower and the District hereunder and of the District under the WIFIA Installment Purchase Agreement; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the District set forth in the Application and the supporting information provided by the Borrower and the District.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and among the Borrower, the District and the WIFIA Lender as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1. Definitions.

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"**2020 Bonds**" means the Union Sanitary District Financing Authority Revenue Bonds, Series 2020A, issued pursuant to the 2020 Indenture, originally issued in the aggregate principal amount of $64,160,000, payable from the 2020 Installment Payments.

"**2020 Installment Payments**" means the installment payments scheduled to be paid by the District under the 2020 Installment Purchase Agreement.

"**2020 Installment Purchase Agreement**" has the meaning provided in the recitals hereto.

"**2020 Indenture**" means that certain Indenture of Trust, dated January 1, 2020, between the Borrower and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"**2021A Bonds**" means the Union Sanitary District Financing Authority Revenue Bonds, Series 2021A, issued pursuant to the 2021 Indenture, originally issued in the aggregate principal amount of $99,505,000, payable from the 2021 Installment Payments.

"**2021 Installment Payments**" means the installment payments scheduled to be paid by the District under the 2021 Installment Purchase Agreement.

"**2021 Installment Purchase Agreement**" has the meaning provided in the recitals hereto.

"**2021 Indenture**" means that certain Indenture of Trust, dated July 1, 2021, between the Borrower and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"**Acceptable Credit Rating**" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge, a Credit Facility, or a repurchase agreement, 'A+', 'A1' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, 'A', 'A2' or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"**Act**" means the Act as defined in the recitals hereto.

"**Additional Obligations**" means Additional Senior Obligations and Additional Subordinate Obligations.

"**Additional Construction Contract"** means each Construction Contract entered into after the Effective Date.

"**Additional Senior Obligations**" means any Senior Obligations permitted under Section 18(a) (*Negative Covenants of the District – Additional Obligations*), which Senior Obligations are issued or incurred on or after the Effective Date.

"**Additional Subordinate Obligations**" means any Subordinate Obligations permitted under Section 18(a) (*Negative Covenants of the District – Additional Obligations*), which Subordinate Obligations are issued or incurred on or after the Effective Date.

"**Administrator**" has the meaning provided in the preamble hereto.

"**Agreement**" has the meaning provided in the preamble hereto.

"**Anticipated WIFIA Loan Disbursement Schedule**" means the schedule set forth in **Exhibit B** (*Anticipated WIFIA Loan Disbursement Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(d) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

"**Anti-Corruption Laws**" means all laws, rules and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption.

"**Anti-Money Laundering Laws**" means all U.S. and other applicable laws, rules and regulations of any jurisdiction from time to time concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

"**Application**" has the meaning provided in the recitals hereto.

"**Authority Revenues**" means all WIFIA Installment Payments received by the Borrower pursuant to or with respect to the WIFIA Installment Purchase Agreement and all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder or thereunder.

"**Bank Secrecy Act**" means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

"**Bankruptcy Related Event**" means, with respect to either the Borrower or the District, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of either the Borrower or the District or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for either the Borrower or the District or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the

foregoing shall be entered; (b) (i) either the Borrower or the District shall apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) either the Borrower or the District shall generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) (A) solely with respect to the District, the District shall fail to make a WIFIA Installment Payment in accordance with the provisions of the WIFIA Installment Purchase Agreement and such failure is not cured within thirty (30) days following notification by the WIFIA Lender or the Borrower of failure to make such payment or (B) solely with respect to the Borrower, the Borrower shall fail to make a payment of WIFIA Debt Service in accordance with the provisions of Section 8 (*Payment of Principal and Interest*) and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) either the Borrower or the District shall make a general assignment for the benefit of creditors, (v) either the Borrower or the District shall consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) either the Borrower or the District shall commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) either the Borrower or the District shall file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) either the Borrower or the District shall take any action for the purpose of effecting any of the foregoing; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Gross Revenues or Authority Revenue may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Obligations, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Gross Revenues or Authority Revenues may be sold or otherwise disposed of pursuant to a sale or disposition of such Gross Revenues or Authority Revenues in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by the holders of Obligations, funds on deposit in any of the District's funds or accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under any Obligation Document for application to the prepayment or repayment of any principal amount of the Obligations other than in accordance with the provisions of this Agreement.

"**Base Case Financial Model**" means a financial model prepared by the District forecasting the capital costs of the Wastewater System (including the Project) and the rates, revenues, operating expenses and major maintenance requirements of the Wastewater System for the Forecast Period and based upon assumptions and methodology provided by the District and acceptable to the WIFIA Lender as of the Effective Date, which model shall be provided to the WIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format requested by the WIFIA Lender.

"**Bonds**" means all revenue bonds or notes of the District that are authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the 2020 Installment Payments and 2021 Installment Payments and which are secured by a pledge of and lien on Gross Revenues.

"**Borrower**" has the meaning provided in the preamble hereto.

"**Borrower Closing Certificate**" has the meaning provided in Section 11(a)(ix) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

"**Borrower Event of Default**" has the meaning provided in Section 21(a) (*Events of Default*).

"**Borrower Financial Statements**" means the audited income statement and balance sheet of the Borrower as of the end of the Borrower Fiscal Year and the related audited statements of operations and of cash flow of the Borrower for such Borrower Fiscal Year; provided, however, that so long as the Borrower is included as a component unit of the District in the District Financial Statements in accordance with GAAP, the term "Borrower Financial Statements" shall refer to the description of the Borrower's financial activities, if any, included in the District Financial Statements.

"**Borrower Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the Borrower commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days' prior written notice to the WIFIA Lender in accordance with Section 16(c) (*Negative Covenants of the Borrower – Borrower Fiscal Year*).

"**Borrower Material Adverse Effect**" means a material adverse effect on (a) the Authority Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document to which the Borrower is a party, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the WIFIA Loan Documents on the Authority Revenues or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document to which the Borrower is a party.

"**Borrower Payment Default**" has the meaning provided in Section 21(a)(i) (*Events of Default and Remedies – Borrower Payment Default*).

"**Borrower's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 25 (*Borrower's Authorized Representative*).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York or San Francisco, California.

"**Capitalized Interest Period**" means the period from (and including) the Effective Date to (but excluding) the date that is six (6) months prior to the Debt Service Payment Commencement Date, subject to earlier termination as set forth in Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*).

"**Code**" means the Internal Revenue Code of 1986, or any successor tax code, as amended from time to time, and the applicable regulations proposed or promulgated thereunder.

"**Congress**" means the Congress of the United States of America.

"**Construction Contract**" means any prime contract entered into by the District with respect to the Project that involves any construction activity (such as demolition, site preparation, civil works construction, installation, remediation, refurbishment, rehabilitation, or removal and replacement services). For the avoidance of doubt, "Construction Contract" shall include each Existing Construction Contract and, upon the effectiveness thereof, each Additional Construction Contract.

"**Construction Contractor**" means any Person (other than the Borrower or the District) party to a Construction Contract.

"**Construction Period**" means the period from the Effective Date through the Substantial Completion Date.

"**Construction Period Servicing Fee**" has the meaning provided in Section 10(a)(ii) (*Fees and Expenses – Fees*).

"**Construction Schedule**" means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II** (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 20(c) (*Reporting Requirements of the District – Construction Reporting*) most recently approved by the WIFIA Lender.

"**Contracts**" means the 2020 Installment Purchase Agreement, 2021 Installment Purchase Agreement and all contracts of the District previously or hereafter authorized and executed by the District, the payments under which are payable from Net Revenues on a parity with the 2020 Installment Payments and 2021 Installment Payments and which are secured by a pledge and lien on Gross Revenues, but excluding contracts entered into for operation and maintenance of the Wastewater System.

"**Control**" means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "**Controlling**" and "**Controlled by**" have meanings correlative to the foregoing.

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted) or its successor, published by the Bureau of Labor Statistics and located (as of the Effective Date) at https://www.bls.gov/news.release/cpi.t01.htm.

"**Credit Facility**" means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing),

which is obtained by the Borrower or the District and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Permitted Obligations.

"**Debt Management Policy**" means that certain Debt Management Policy of the District, adopted by the Board of Directors of the District on January 13, 2020, as amended on July 26, 2021, and as it may be further amended by the District from time to time.

"**Debt Service**" means, for any period of calculation, the sum of:

(a) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(b) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);

(c) those portions of the principal amount of all outstanding term Bonds required to be paid in such period (but excluding Excluded Principal); and

(d) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Senior Obligations;

provided that, as to any such Senior Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Senior Obligation plus one percent (1%); and (2) the highest variable rate borne over the preceding three (3) months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Senior Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Senior Obligations

were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Senior Obligations or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Senior Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Senior Obligations constitute interest rate swap agreements or other paired obligations, the interest rate on such Senior Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Senior Obligation for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

"**Debt Service Payment Commencement Date**" means the earlier to occur of (a) if the Capitalized Interest Period ends pursuant to Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*) due to the occurrence of an Event of Default, the first March 1 or September 1 immediately following the end of the Capitalized Interest Period, or (b) the first March 1 or September 1 occurring closest to, but not later than, the fifth anniversary of the Substantial Completion Date.

"**Default**" means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Default Rate**" means an interest rate equal to the sum of (a) the WIFIA Interest Rate *plus* (b) two hundred (200) basis points.

"**Development Default**" means (a) the District abandons work or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to the Project or (b) the District fails to achieve Substantial Completion of the Project by December 31, 2029.

"**District**" has the meaning provided in the preamble hereto.

"**District Closing Certificate**" has the meaning provided in Section 11(a)(x) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

"**District Collateral**" means the Gross Revenues, all amounts that are on deposit in the Revenue Fund and amounts that are transferred from the Parity Debt Reserve to the Revenue Fund under the WIFIA Installment Purchase Agreement, the Acquisition Fund (including all amounts on deposit therein), the WIFIA Debt Service Account (including all amounts on deposit therein), and any other fund or account that is established or maintained pursuant to the WIFIA Installment

Purchase Agreement (including all amounts on deposit therein) (except the Parity Debt Reserve (other than those amounts which are transferred by the District from the Parity Debt Reserve to the Revenue Fund)).

"**District Event of Default**" has the meaning provided in Section 21(b) (*Events of Default and Remedies*).

"**District Financial Statements**" means the audited income statement and balance sheet of the District as of the end of the District Fiscal Year and the related audited statements of operations and of cash flow of the District for such District Fiscal Year.

"**District Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the District commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the District may hereafter adopt after giving thirty (30) days' prior written notice to the WIFIA Lender in accordance with Section 18(f) (*Negative Covenants of the District – District Fiscal Year*).

"**District Material Adverse Effect**" means a material adverse effect on (a) the Wastewater System, the Project or the Gross Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the District, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document to which the District is a party, (d) the ability of the District to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens on the District Collateral provided under the WIFIA Loan Documents to which the District is a party or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document to which the District is a party.

"**District Payment Default**" has the meaning provided in Section 21(b)(i) (*Events of Default and Remedies – District Payment Default*).

"**District's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 26 (*District's Authorized Representative*).

"**Dollars**" and "**$**" means the lawful currency of the United States of America.

"**EBDA**" means the East Bay Dischargers Authority, a joint exercise of powers agency created pursuant to the EBDA Joint Powers Agreement.

"**EBDA Joint Powers Agreement**" means the EBDA Joint Exercise of Powers Agreement dated February 15, 1974, as amended, as further amended and restated by the East Bay Dischargers Authority Amended and Restated Joint Powers Agreement, dated as of July 1, 2020 to become effective on July 1, 2020, each among the parties listed therein, as may be further amended and supplemented from time-to-time in accordance with the terms thereof.

"**Effective Date**" means the date of this Agreement.

"**Eligible Project Costs**" means amounts in the Project Budget (as of the Effective Date) approved by the WIFIA Lender, which are paid by or for the account of the District, as agent of

the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with the Project (including, as applicable, Project expenditures incurred prior to the receipt of WIFIA credit assistance, or the repayment of amounts borrowed to make such expenditures prior to the receipt of WIFIA credit assistance), which shall arise from the following:

(a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, and replacement activities;

(c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to Section 3905(8) of Title 33 of the United States Code), construction contingencies, and acquisition of equipment; or

(d) capitalized interest (with respect to Obligations other than the WIFIA Loan) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided that Eligible Project Costs must be consistent with all other applicable federal law, including the Act.

"**Eligible Project Costs Documentation**" has the meaning provided in Section 1 of **Exhibit D-1** (*Requisition Procedures*).

"**EMMA**" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended, and its successors.

"**Environmental Laws**" has the meaning provided in Section 13(o) (*Representations and Warranties of the District – Environmental Matters*).

"**EPA**" means the United States Environmental Protection Agency.

"**Event of Default**" means any District Event of Default or any Borrower Event of Default.

"**Event of Loss**" means any event or series of events that causes any portion of the Wastewater System to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a casualty, a failure of title, or any loss of such property through eminent domain.

"**Excluded Principal**" means each payment of principal of applicable Obligations for which there is on file with the WIFIA Lender (i) a certificate of an Independent Municipal Consultant to the effect that such Obligation is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than 60 months and (ii) a certificate of the District's

Authorized Representative to the effect that the District intends to pay such principal from the proceeds of Obligations or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Obligations or the obligation of the District to pay such Obligations from Net Revenues.

"**Existing Construction Contracts**" means each Construction Contract existing as of the Effective Date, as set forth in Part A of **Schedule 13(m)** (*Construction Contracts*).

"**Existing Indebtedness**" means all (a) Obligations and indebtedness of the District and (b) indebtedness of the Borrower, in each case that has been issued or incurred prior to the Effective Date, as listed and described in **Schedule III** (*Existing Indebtedness*).

"**Existing Senior Obligations**" means the indebtedness of the District listed and described in Part A of **Schedule III** (*Existing Indebtedness*).

"**Existing Subordinate Obligations**" means the Subordinate Obligations of the District listed and described in Part B of **Schedule III** (*Existing Indebtedness*).

"**Federal Fiscal Year**" means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

"**Federal Securities**" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

"**Final Disbursement Date**" means the earliest of (a) the date on which the WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current Anticipated WIFIA Loan Disbursement Schedule; (c) the date on which the Borrower has certified to the WIFIA Lender that it will not request any further disbursements under the WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of the WIFIA Loan in accordance with Section 21 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

"**Final Maturity Date**" means the earlier of (a) March 1, 2063 (or such earlier date as is set forth in an updated **Exhibit F** (*WIFIA Debt Service*) pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*)); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

"**Fitch**" means Fitch Ratings, Inc., or any successor thereto.

"**Flow of Funds**" means the requirements specified in Section 5.02 (*Allocation of Gross Revenues*) of the WIFIA Installment Purchase Agreement.

"**Flow of Funds Following Acceleration**" means the requirements specified in [Section 8.02 (*Application of Funds Upon Acceleration*)] of the WIFIA Installment Purchase Agreement.

"**Forecast Period**" means, as of any date, the time period with the later ending date of the following: (a) the time period from and including the current District Fiscal Year and each of the immediately succeeding five (5) District Fiscal Years and (b) the time period from and including the current District Fiscal Year and ending on the last date of the forecast periods covered in the District's currently effective capital improvement plan for the Wastewater System.

"**GAAP**" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or of any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

"**Government**" means the United States of America and its departments and agencies.

"**Governmental Approvals**" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

"**Governmental Authority**" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"**Gross Revenues**" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, including, without limiting the generality of the foregoing:

(a) rates and charges collected by the District on the Alameda County, California tax roll in accordance with Section 5473 et.seq. of the Health and Safety Code (or any successor provisions thereto);

(b) all other income, rents, rates, fees, charges or other moneys derived by the District through the facilities of or in the conduct or operation of the business of the Wastewater System;

(c) the proceeds of any stand-by or availability charges, development fees and connection charges collected by the District; and

(d) the earnings on and income derived from the investment of amounts described in clauses (a), (b) and (c) above and from District reserves;

but excluding:

(i) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District;

(ii) any proceeds of taxes or assessments which are restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued; and

(iii) gain or loss on the sale of any capital assets as permitted hereby.

"Gross Revenues" also include all amounts transferred from the Parity Debt Reserve to the Revenue Fund in accordance with the WIFIA Installment Purchase Agreement. "Gross Revenues" do not include any amounts transferred from the Revenue Fund to the Parity Debt Reserve during any District Fiscal Year in accordance with the WIFIA Installment Purchase Agreement.

"**Hedging Agreement**" means (a) any ISDA Master Agreement(s) and any related credit support annex, schedules and confirmations, to be entered into by the District or the Borrower on behalf of the District and a Hedging Bank, (b) any other agreement entered into, or to be entered into, by the District or the Borrower and a Hedging Bank for a Hedging Transaction, and (c) any other documentation directly relating to the foregoing.

"**Hedging Bank**" means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and its permitted successors (to the extent such successors are also Qualified Hedge Providers).

"**Hedging Transaction**" means any interest rate protection agreement, interest rate swap transaction, interest rate "cap" transaction, interest rate future, interest rate option or other similar interest rate hedging arrangement commonly used in loan transactions to hedge against interest rate increases; provided that in no event shall any such transaction be for any speculative purpose.

"**Indemnitee**" has the meaning provided in Section 37 (*Indemnification*).

"**Independent Certified Public Accountant**" means any firm of certified public accountants that is appointed by the District, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"**Independent Municipal Consultant**" means a municipal advisor or firm of such municipal advisors appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto; and (4) is registered as a "municipal advisor," as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

"**Insolvency Laws**" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq*., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"**Interest Component**" means (a) with respect to a WIFIA Installment Payment, the interest component of such WIFIA Installment Payment due and payable on the applicable WIFIA Installment Payment Date, which relates to the interest component of the corresponding payment on the WIFIA Note as set forth on the Loan Amortization Schedule, as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement, and (b) with respect to the aggregate WIFIA Installment Payments, all payments of the interest components of the WIFIA Installment

Payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments on the WIFIA Note under Section 8 (*Payment of Principal and Interest*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement, as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement and the corresponding section of the WIFIA Installment Purchase Agreement.

"**Interest Payment Date**" means each March 1 and September 1, commencing on the Debt Service Payment Commencement Date.

"**Interim Financing**" means interim bond anticipation notes, commercial paper or other short-term temporary financing, in each case with a redemption or maturity occurring on or up to one (1) year following the Projected Substantial Completion Date in effect as of the Effective Date.

"**Investment Grade Rating**" means a public rating no lower than 'BBB-', 'Baa3', 'bbb-', 'BBB (low)', from a Nationally Recognized Rating Agency.

"**Investment Policy**" means that certain Investment Policy of the District, adopted by the Board of Directors of the District in February 2021, as may be amended by the District from time to time.

"**ISDA Master Agreement**" means a master agreement, entered into by the District or the Borrower and a Hedging Bank, in the form published by the International Swaps and Derivatives Association, Inc.

"**JPA Act**" has the meaning provided in the recitals hereto.

"**JPA Agreement**" means the Joint Exercise of Powers Agreement, dated January 13, 2020, by and between the District and California Municipal Finance Authority, pursuant to which the Borrower is established, as such JPA Agreement may be amended and supplemented from time-to-time in accordance therewith

"**Lien**" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"**Loan Amortization Schedule**" means the Loan Amortization Schedule reflected in the applicable column of **Exhibit F** (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

"**Manager**" means the General Manager/Chief Executive Officer of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

"**Material Adverse Effect**" means a material adverse effect on (a) the Wastewater System, the Project, the Gross Revenues or the Authority Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of either the Borrower or the District, (c) the legality, validity or enforceability of any material provision of any WIFIA Loan Document, (d) the ability of either the Borrower or the District to enter into, perform or comply with any of its material obligations under any WIFIA Loan Document to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the WIFIA Loan Documents on District Collateral or the Authority Revenues or (f) the WIFIA Lender's rights or remedies available under any WIFIA Loan Document.

"**Moody's**" means Moody's Investors Service, Inc. or any successor thereto.

"**Nationally Recognized Rating Agency**" means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

"**NEPA**" means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"**NEPA Determination**" means the [_____] for the Project issued by EPA on [_____] in accordance with NEPA.

"**Net Proceeds**" means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

"**Net Revenues**" means for any District Fiscal Year, the Gross Revenues for such District Fiscal Year less the Operation and Maintenance Costs for such District Fiscal Year.

"**Non-Debarment Certificate**" means a certificate, signed by the Borrower's Authorized Representative or the District's Authorized Representative, as applicable, as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters with respect to the Borrower or the District, as applicable, and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995), substantially in the form attached hereto as **Exhibit C** (*Form of Non-Debarment Certificate*).

"**Non-Lobbying Certificate**" means a certificate, signed by the Borrower's Authorized Representative or the District's Authorized Representative, as applicable, with respect to the prohibition on the use of appropriated funds for lobbying pursuant to 49 C.F.R. § 20.100(b), substantially in the form attached hereto as **Exhibit E** (*Form of Non-Lobbying Certificate*).

"**Obligation Document**" means any indenture, bond, credit agreement, note, reimbursement agreement, letter of credit, guarantee, Hedging Agreement, Credit Facility, or any other agreement, instrument or document pursuant to which any Obligation is incurred by the District and any of the foregoing entered into by the Borrower in connection with Obligations of the District.

"**Obligations**" means, collectively, the Senior Obligations and the Subordinate Obligations.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**Operating Period Servicing Fee**" has the meaning provided in Section 10(a)(iii) (*Fees and Expenses – Fees*).

"**Operation and Maintenance Costs**" means: (i) costs spent or incurred for maintenance and operation of the Wastewater System calculated in accordance with GAAP, including (among other things) the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the WIFIA Installment Purchase Agreement, the 2020 Installment Purchase Agreement, the 2020 Indenture, the 2021 Installment Purchase Agreement, the 2021 Indenture, or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (ii) costs allocable to the District under the EBDA Joint Powers Agreement which constitutes maintenance and operation costs of the EBDA calculated on accordance with GAAP; but excluding in all cases (x) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, (y) all capital charges, and (z) all amounts allocable to the District under the EBDA Joint Powers Agreement for capital costs thereof, including principal and interest on any bonds, notes or other evidence of indebtedness of EBDA.

"**Organizational Documents**" means (a) with respect to the District, Section 6400 et. seq. of the Health and Safety Code of the State of California, and (b) with respect to the Borrower, the JPA Act and the JPA Agreement.

"**Outstanding**" means, with respect to Obligations, Obligations that have not been cancelled or legally defeased or discharged.

"**Outstanding WIFIA Loan Balance**" means (a) the aggregate principal amount of the WIFIA Loan drawn by the Borrower *plus* (b) capitalized interest added to the principal balance of the WIFIA Loan *minus* (c) the aggregate principal amount of the WIFIA Loan repaid by the Borrower, as determined in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

"**Parity Debt Reserve**" means the fund by that name that is required to be maintained pursuant to the WIFIA Installment Purchase Agreement.

"**Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

"**Payment Date**" means each Interest Payment Date and each Principal Payment Date.

"**Payment Default**" means any Borrower Payment Default or any District Payment Default.

"**Permitted Investment**" means any of the following which at the time are legal investments under the laws of the State for moneys held hereunder and then proposed to be invested therein:

(a) Federal Securities;

(b) for all purposes, including defeasance investments in refunding escrow accounts: (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (ii) below); (ii) direct, non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; (iii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series); (iv) Resolution Funding Corp. strips (only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable); (v) Pre-refunded municipal bonds rated "AAA" by S&P and Fitch. If however, the issue is only rated by S&P (i.e., there is no Fitch rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA" rated pre-refunded municipals to satisfy this condition; and (vi) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (A) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership; (B) Farmers Home Administration: Certificates of beneficial ownership; (C) Federal Financing Bank; (D) General Services Administration: Participation Certificates; (E) U.S. Maritime Administration: Guaranteed Title XI financing; and (F) U.S. Department of Housing and Urban Development: Project Notes, New Communities Debentures — U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds — U.S. government guaranteed public housing notes and bonds; and

(c) for all purposes other than defeasance investments in refunding escrow accounts:

(i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(ii) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America: Farmers Home Administration; General Services Administration; United States Maritime Administration; Government National Mortgage Association; United States Department of Housing & Urban Development; Federal Financing Bank; and Federal Housing Administration Debentures;

(iii) obligations of any of the following federal agencies which obligations do not represent the full faith and credit of the United States of America, including the Federal Home Loan Bank System; Federal Home Loan Mortgage Corporation (FHLMC); Federal National

Mortgage Association (FNMA); Student Loan Marketing Association; Resolution Funding Corp.; and Farm Credit System;

(iv) commercial paper which is rated at the time of purchase in the single highest classification, "A-1" by S&P and "F-1" by Fitch;

(v) investments in a money market fund rated "AAAm", "AAAm-G" or "AA-m" or better by S&P, or "AAA-mmf", or "AAA-mf" or better by Fitch, including any fund for which the Trustee or an affiliate acts as investment advisor or provides other services;

(vi) certificates of deposit secured at all times by collateral described in clauses (a) and/or (b)(i) above; provided that such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks;

(vii) Certificates of deposit, savings accounts, deposit accounts or money market deposits;

(viii) Investment Agreements, including GICs, Forward Purchase Agreements and Reserve Fund Put Agreements;

(ix) Federal Funds or bankers acceptances with a maximum term of one year of any bank, which has an unsecured, uninsured and unguaranteed obligation rating of "F1" or "A" or better by Fitch and "A-1" or "A" or better by S&P;

(x) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the District and the transfer of cash from the District to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the District in exchange for the securities at a specified date, subject to the following:

A. Repurchase agreements must be between the District and a dealer bank or securities firm which is

(1) A primary dealer on the Federal Reserve reporting dealer list which is rated "A" or better by S&P and Fitch; or

(2) A bank rated "A" or above by S&P and Fitch.

B. The written contract must include the following:

(1) Securities which are acceptable for transfer are: (x) Direct U.S. Government securities; or (y) Federal agency securities that are backed by the full faith and credit of the U.S. government (and FNMA and FHLMC);

(2) The term of the repurchase agreement may be up to 30 days;

(3) The collateral must be delivered to the District before/simultaneously with payment (perfection by possession of certificates securities).

(4) The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the District to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of the securities held as collateral slips below the 104% of the value of the cash transferred by the District, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%,

C. Legal opinion which must be delivered to the District: the repurchase agreement meets guidelines under state law for legal investment of public funds;

(xi) The Local Agency Investment Fund of the State of California created pursuant to Section 16429.1 of the California Government Code;

(xii) shares of beneficial interests in investments purchased by the Investment Trust of California, doing business as CaITRUST, a joint powers authority created pursuant to Section 6509,7 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

(xiii) Unsecured certificates of deposit, time deposits, money market deposits, demand deposits and bankers' acceptances of any bank the short term obligations of which are rated on the date of purchase "A-1" or better by S&P, or "Fl" or better by Fitch.

"**Permitted Liens**" means:

(a) Liens imposed pursuant to the WIFIA Loan Documents and the other Obligation Documents;

(b) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 15(g) (*Affirmative Covenants of the Borrower – Material Obligations; Payment of Claims*) and Section 17(k) (*Affirmative Covenants of the District – Material Obligations; Payment of Claims*);

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 15(g) (*Affirmative Covenants of the Borrower – Material Obligations; Payment of Claims*) and Section 17(k) (*Affirmative Covenants of the District – Material Obligations; Payment of Claims*);

(d) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(e) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(f) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 21(a)(v) (*Events of Default and Remedies – Borrower Material Adverse Judgment*) or Section 21(b)(vi) (*Events of Default and Remedies – District Material Adverse Judgment*); and

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that, in any case, do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of either the Borrower or the District.

"**Permitted Obligations**" means:

(a) Existing Indebtedness;

(b) the WIFIA Loan;

(c) Additional Senior Obligations that satisfy the requirements of Section 18(a) (*Negative Covenants of the District – Indebtedness*) and of the other WIFIA Loan Documents;

(d) Additional Subordinate Obligations (including obligations of the District subordinate to the WIFIA Installment Payments) that satisfy the applicable requirements of Section 18(a) (*Negative Covenants of the District – Indebtedness*) and of the other WIFIA Loan Documents; and

(e) indebtedness incurred in respect of Qualified Hedges.

"**Person**" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"**Principal Component**" means (a) with respect to a WIFIA Installment Payment, the principal component of such WIFIA Installment Payment due and payable on the applicable WIFIA Installment Payment Date, which relates to the principal component of the corresponding payment on the WIFIA Note as set forth on the Loan Amortization Schedule, and (b) with respect to the aggregate WIFIA Installment Payments, all payments of the principal components of the WIFIA Installment Payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments on the WIFIA Note under Section 8 (*Payment of Principal and Interest*) of this Agreement.

"**Principal Payment Date**" means each March 1, commencing on the first March 1 occurring on or after the Debt Service Payment Commencement Date..

"**Project**" means certain improvements to the District's Alvarado Wastewater Treatment Plant, which consist of the following components:

(a) aeration basin modifications and the replacement of existing buildings, including construction of a new campus building;

(b) construction of a secondary clarifier and new chlorine disinfection and effluent pumping facilities; and

(c) retrofitting of the existing secondary clarifiers for plant equalization and storage.

"**Project Budget**" means the budget for the Project attached to this Agreement as **Schedule I** (*Project Budget*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the WIFIA Lender.

"**Projected Substantial Completion Date**" means June 30, 2028, as such date may be adjusted in accordance with Section 20(c) (*Reporting Requirements of the District – Construction Reporting*).

"**Public Benefits Report**" has the meaning provided in Section 20(e) (*Reporting Requirements of the District – Public Benefits Report*).

"**Qualified Hedge**" means, to the extent from time to time permitted by law, with respect to Permitted Obligations any Hedging Transaction entered into with a Qualified Hedge Provider.

"**Qualified Hedge Provider**" means any bank or trust company, or an affiliate thereof, authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof, that has an Acceptable Credit Rating.

"**Rate Covenant**" means the requirements specified in Section 17(a)(i) (*Affirmative Covenants of the District – Rate Covenant*).

"**Related Documents**" means the WIFIA Loan Documents, the Construction Contracts and each other Obligation Document.

"**Requisition**" has the meaning provided in Section 4(a) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

"**Revenue Fund**" means the fund by that name maintained pursuant to the WIFIA Installment Purchase Agreement.

"**S&P**" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

"**Sanctioned Country**" means, at any time, a country or territory which is itself the subject or target of any Sanctions.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country, or (c) any Person owned or controlled by any such Person or Persons.

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the Government, including those administered by OFAC or the U.S. Department of State.

"**Senior Obligations**" means Existing Senior Obligations and Additional Senior Obligations, if any, including all Bonds and Contracts (and the obligations of the District thereunder).

"**Servicer**" means such entity or entities as the WIFIA Lender shall designate from time to time to perform, or assist the WIFIA Lender in performing, certain duties hereunder.

"**Servicing Fee**" means the Servicing Set-Up Fee and any Construction Period Servicing Fee or Operating Period Servicing Fee.

"**Servicing Set-Up Fee**" has the meaning provided in Section 10(a)(i) (*Fees and Expenses – Fees*).

"**State**" has the meaning provided in the preamble hereto.

"**Subordinate Debt Service**" means debt service on Subordinate Obligations calculated in the same manner as under the definition of Debt Service except with respect to Subordinate Obligations instead of Senior Obligations.

"**Subordinate Obligations**" means all obligations of the District which are secured by a pledge of and lien on the Gross Revenues and are fully subordinated in right of payment and right of security only to the Senior Obligations, including the Existing Subordinate Obligations and any Additional Subordinate Obligations.

"**Substantial Completion**" means, with respect to the Project, the stage at which the Project is able to perform the functions for which the Project is designed.

"**Substantial Completion Date**" means the date on which the District certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion has occurred.

"**Tender Option Obligations**" means any obligation which by its terms may be tendered by and at the option of the holder thereof for payment prior to the stated maturity or redemption date thereof to either the Borrower, the District, the trustee under any Obligation Document, a tender agent or a remarketing agent.

"**Total Project Costs**" means (a) the costs paid or incurred or to be paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the WIFIA Loan Documents to be paid into any fund or account upon the incurrence of the WIFIA Loan or any other Obligation, in each case in respect of the Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any obligations of the District in connection with the Project (other than the WIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the District for the commencement of operation of the Project, including general administrative expenses and overhead of the District.

"**Trustee**" means U.S. Bank National Association, acting in its capacity as Trustee under and pursuant to the 2020 Indenture and 2021 Indenture, and its successors and assigns.

"**Uncontrollable Force**" means any cause beyond the control of the Borrower and the District, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that neither the Borrower nor the District shall be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower or the District and neither the Borrower nor the District controls the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower or the District.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code, as in effect from time to time in the State.

"**Updated Financial Model**" means the Base Case Financial Model, updated in accordance with Section 20(a) (*Reporting Requirements of the District – Updated Financial Model*).

"**Variable Interest Rate**" means a variable interest rate to be borne by any Obligations. The method of computing such variable interest rate shall be specified in the Obligation Document pursuant to which such Obligations are incurred. Such Obligation Document shall also specify either (a) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective.

"**Variable Interest Rate Obligations**" means Obligations which bear a Variable Interest Rate but does not include any Obligations for which the interest rate has been fixed during the remainder of the term thereof to maturity; *provided* that a Permitted Obligation bearing a fixed rate of interest shall be deemed a Variable Interest Rate Obligation to the extent that the District

or the Borrower has entered into a Hedging Transaction pursuant to which the District or the Borrower, as applicable, is obligated to pay a floating rate of interest and receives a fixed rate of interest and shall be deemed to bear interest at the lesser of (a) the then-current variable rate *plus* such additional basis points as may be reasonably determined by the District or the Borrower, as applicable, (but not less than 100 basis points) as may reasonably reflect future rate changes or (b) the maximum interest rate, if any, payable pursuant to such Hedging Transaction.

"**Wastewater Service**" means the wastewater collection, conveyance, treatment and disposal service that is made available or provided by the Wastewater System including but not limited to recycled water service.

"**Wastewater System**" means the whole and each and every part of the wastewater collection, conveyance, treatment and disposal system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater system or any part thereof hereafter acquired or constructed, including recycled water facilities of the District and the District's interest in the facilities of the EBDA pursuant to the EBDA Joint Powers Agreement and related agreements.

"**WIFIA**" has the meaning provided in the recitals hereto.

"**WIFIA Borrower Documents**" means this Agreement, the WIFIA Note, and the WIFIA Installment Purchase Agreement.

"**WIFIA Borrower Resolution**" means Resolution No.2939, adopted by the Borrower on November 8, 2021, authorizing the execution and delivery of this Agreement, the WIFIA Installment Purchase Agreement, and the WIFIA Note and certain related actions by the Borrower in connection with the issuance of the WIFIA Loan.

"**WIFIA Debt Service**" means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on **Exhibit F** (*WIFIA Debt Service*) and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*).

"**WIFIA Debt Service Account**" means the WIFIA Debt Service Account established and maintained by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, pursuant to Section 17(i) (*Affirmative Covenants of the District – WIFIA Debt Service Account*).

"**WIFIA District Documents**" means this Agreement and the WIFIA Installment Purchase Agreement.

"**WIFIA District Resolution**" means Resolution No. 2940, adopted by the District on November 8, 2021, authorizing the execution and delivery of this Agreement and the WIFIA Installment Purchase Agreement and certain related actions by the District in connection therewith.

"**WIFIA Installment Payments**" individually, means with respect to any WIFIA Installment Payment Date occurring on or after the Debt Service Payment Commencement Date, the sum of the Principal Component and the Interest Component (as adjusted to include interest at the Default Rate as set forth in Section 6 (*Interest Rate*) of this Agreement) due and payable on such WIFIA Installment Payment Date and "**WIFIA Installment Payments**" collectively, means all payments required to be paid by the District on any date under the WIFIA Installment Purchase Agreement corresponding to payments under Section 8 (*Payment of Principal and Interest*) of this Agreement, including any amounts payable upon delinquent installments and including any prepayment thereof under the WIFIA Installment Purchase Agreement. The Principal Component and Interest Component of each WIFIA Installment Payment shall correspond in all respects to the principal payment and interest payment, respectively, due on the WIFIA Note on the corresponding Payment Date.

"**WIFIA Installment Payment Date**" means, with respect to any Payment Date, the fifth (5th) Business Day immediately preceding that Payment Date.

"**WIFIA Interest Rate**" has the meaning provided in Section 6 (*Interest Rate*).

"**WIFIA Installment Purchase Agreement**" has the meaning provided in the recitals.

"**WIFIA Lender**" has the meaning provided in the preamble hereto.

"**WIFIA Lender's Authorized Representative**" means the Administrator and any other Person who shall be designated as such pursuant to Section 27 (*WIFIA Lender's Authorized Representative*).

"**WIFIA Loan**" means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed $[249,660,876] (excluding capitalized interest) *plus* any interest capitalized pursuant to Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*), to be used in respect of Eligible Project Costs.

"**WIFIA Loan Documents**" means this Agreement, the WIFIA Note, the WIFIA Installment Purchase Agreement and the WIFIA Resolutions.

"**WIFIA Note**" means the note delivered by the Borrower in substantially the form of **Exhibit A** (*Form of WIFIA Note*).

"**WIFIA Resolutions**" means, collectively, the WIFIA District Resolution and the WIFIA Borrower Resolution.

Section 2. Interpretation.

(a) Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(c) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(d) The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(e) Whenever the Borrower's knowledge or the District's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or the phrase "to the District's knowledge" or a similar phrase is used in this Agreement, the Borrower's knowledge or the District's knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge or the best of the District's knowledge, as applicable, after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns.

(f) Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement.

(g) The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(h) The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(i) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 36 (*Notices*) and signed by a duly authorized representative of such party.

(k) References to "disbursements of WIFIA Loan proceeds" or similar phrasing shall be construed as meaning the same thing as "paying the purchase price of the WIFIA Note".

(l) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of the WIFIA Loan, it is intended that such change be reflected in the WIFIA Note. Whenever there is a mandatory or optional prepayment of the WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the WIFIA Note.

ARTICLE II
THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed $[249,660,876] (excluding capitalized interest). WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*).

Section 4. Disbursement Conditions; Quarterly Approval of Eligible Project Costs.

(a) Pursuant to the WIFIA Installment Purchase Agreement, the Borrower has appointed the District as its agent to request funds from time to time under this Agreement and the District has accepted such appointment and assumed all rights, liabilities, duties and responsibilities of the Borrower under this Agreement regarding the requisition of funds from time to time under this Agreement. WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrower in connection with the Project, including for the purpose of paying or redeeming, in whole or in part, amounts owed by the District or the Borrower under any Interim Financing the proceeds of which were applied to pay Eligible Project Costs. If the Borrower intends to utilize the WIFIA Loan proceeds to make progress payments for Project construction work performed under the Construction Contracts, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall demonstrate to the satisfaction of the WIFIA Lender that such progress payments are commensurate with the cost of the work that has been completed. Each disbursement of the WIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in **Appendix One** (*Form of Requisition*) to **Exhibit D-1** (*Requisition Procedures*), along with all documentation and other information required thereby, submitted by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to, and approved by, the WIFIA Lender, all in accordance with the procedures of **Exhibit D-1** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*); provided that no disbursements of WIFIA Loan proceeds shall be made after the Final Disbursement Date.

(b) Each Requisition shall include a certification by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, certifying as to the following: (i) whether reimbursement or payment is being requested with respect to (A) Eligible Project Costs that have been submitted by it pursuant to Section 4(e) and approved by the WIFIA Lender pursuant to Section 4(f) or (B) other Eligible Project Costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement; (ii) the amount for which reimbursement or payment is being requested has not been reimbursed or paid by any previous disbursement of WIFIA Loan proceeds; and (iii) to the extent any Eligible Project Costs described

in clause (i)(B) above are included in the Requisition, that such Eligible Project Costs have not and will not be submitted by the District for approval pursuant to Section 4(e) and Section 4(f).

(c) The District shall deliver copies of each Requisition to the WIFIA Lender and the Servicer (if any) on or before the first (1st) Business Day of each month for which a disbursement is requested. If the WIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express WIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three** (*[Approval/Disapproval] of the WIFIA Lender*) to **Exhibit D-1** (*Requisition Procedures*). In no event shall disbursements be made more than once each month.

(d) At the time of any disbursement, the sum of all prior disbursements of WIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current Federal Fiscal Year set forth in the Anticipated WIFIA Loan Disbursement Schedule, as the same may be amended from time to time in accordance with the terms of this Agreement. Subject to this Section 4, any scheduled disbursement (as reflected in the Anticipated WIFIA Loan Disbursement Schedule) that remains undrawn at the end of any Federal Fiscal Year shall automatically roll forward to be available in the succeeding Federal Fiscal Year up to the last anticipated date of disbursement set forth in the Anticipated WIFIA Loan Disbursement Schedule, having the effect of automatically updating the Anticipated WIFIA Loan Disbursement Schedule without need for the WIFIA Lender's approval. The District may also request an amendment of the Anticipated WIFIA Loan Disbursement Schedule by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated WIFIA Loan Disbursement Schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted in the WIFIA Lender's sole discretion.

(e) On a quarterly basis, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall submit to the WIFIA Lender, and any Servicer, Eligible Project Costs Documentation, satisfactory to the WIFIA Lender in form and substance, with respect to any costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in respect of the Project (to the extent Eligible Project Costs Documentation with respect to such costs has not previously been provided to the WIFIA Lender) evidencing that such costs are Eligible Project Costs, or, if the District elects in any quarter not to submit Eligible Project Costs Documentation, a written statement indicating such election; provided that no such submission shall be required (x) before the date that is sixty (60) days after the Effective Date or (y) for any costs incurred prior to the Effective Date.

(f) The Eligible Project Costs Documentation and the related statement submitted pursuant to Section 4(e) shall contain sufficient detail to enable the WIFIA Lender to verify that any costs submitted by the District for reimbursement are Eligible Project Costs. Each time the District delivers Eligible Project Costs Documentation to the WIFIA Lender, and any Servicer, the District shall also deliver to such entities a certificate, substantially in the form of

Exhibit D-2 (*Certification of Eligible Project Costs Documentation*) and duly executed by the District's Authorized Representative.

(g) Within thirty (30) days following the receipt of the Eligible Project Costs Documentation and the accompanying statement, the WIFIA Lender shall deliver a notice to the District confirming (i) which Eligible Project Costs incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, set forth in the statement have been approved or denied (and, if denied, the reasons therefor) and (ii) the cumulative amount of Eligible Project Costs that have been approved with respect to the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement. Any approved amounts of Eligible Project Costs shall be disbursed at such time as the District submits a Requisition in respect of such approved amounts in accordance with Section 4(a), Section 4(b), and Section 4(c). The District shall not submit a Requisition that seeks reimbursement of Eligible Project Costs for which the related Eligible Project Costs Documentation was not delivered to the WIFIA Lender and the Servicer (if any) at least one (1) month prior to the date such Requisition is submitted.

Section 5. Term. The term of the WIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance (and for calculating the corresponding Interest Components of the WIFIA Installment Payments) (the "**WIFIA Interest Rate**") shall be [____] and [____] hundredths percent ([____]%) per annum, as adjusted to include interest at the Default Rate as set forth below, as applicable. Interest will accrue and be computed on the Outstanding WIFIA Loan Balance (and the corresponding unpaid Principal Components of the WIFIA Installment Payments) (as well as on any past due interest or Interest Components of the WIFIA Installment Payments) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding WIFIA Loan Balance (and the District shall pay the Interest Components of the WIFIA Installment Payments) at the Default Rate, (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment and (b) in the case of any other Event of Default, from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured or waived (if applicable) in accordance with the terms of this Agreement and (ii) the Outstanding WIFIA Loan Balance (and the corresponding unpaid Principal Components of the WIFIA Installment Payments) have been irrevocably paid in full by the Borrower in immediately available funds. For the avoidance of doubt, interest on the WIFIA Loan and the WIFIA Note shall accrue and be payable only on those amounts for which a Requisition has been submitted and funds (or such portion of funds as have been approved by the WIFIA Lender) have been disbursed to the Borrower for use on the Project in accordance with Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*).

Section 7. Security and Priority; Flow of Funds.

(a) Pursuant to the WIFIA Installment Purchase Agreement, as security for the WIFIA Installment Payments, and concurrently with the issuance and delivery of this Agreement,

the District has pledged, assigned and granted to the Borrower for its benefit, Liens on the District Collateral, including the Gross Revenues and the WIFIA Debt Service Account. The WIFIA Installment Payments are and shall (i) be secured by the Liens on the District Collateral, (ii) not be subordinate in right of payment (other than with respect to Operation and Maintenance Costs) or in right of security, during any period when a Bankruptcy Related Event has not occurred, to any Lien on any of the District Collateral other than (except as otherwise required by law) the Liens on any of the District Collateral for the benefit of the holders of the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations), and (iii) be *pari passu* in right of payment and right of security, during any period when a Bankruptcy Related Event has not occurred, with the Liens on any of the District Collateral for the benefit of the holders of the Subordinate Obligations. Upon the occurrence of a Bankruptcy Related Event, the WIFIA Installment Payments and the WIFIA Note shall be secured by a valid and binding pledge and Lien on the District Collateral on a parity with the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations) automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act. The District's obligations under the WIFIA Installment Purchase Agreement constitute (x) a Subordinate Obligation during any period when a Bankruptcy Related Event has not occurred and (y) a Senior Obligation during any period when a Bankruptcy Related Event has occurred.

(b) Except (i) for Permitted Liens, or (ii) to the extent otherwise provided in Section 7(a), the District Collateral shall be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, that is of equal rank with or senior to the pledge of the Borrower created under the WIFIA Loan Documents for the benefit of the WIFIA Lender, and all organizational, regulatory or other necessary action on the part of the District with respect to the foregoing has been duly and validly taken.

(c) The Borrower hereby unconditionally pledges and assigns to the WIFIA Lender and grants to the WIFIA Lender Liens for its benefit on (i) all of its right, title and interest to receive the Authority Revenues, (ii) all of its rights with respect to the WIFIA Debt Service Account and (iii) all of its rights and remedies to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder, in each case for the purpose of securing (x) the payment of all sums due and owing to the WIFIA Lender under this Agreement and (y) the observance, performance and discharge of each agreement, condition, covenant and term of the Borrower and the District hereunder and of the District under the WIFIA Installment Purchase Agreement. The District hereby consents to such pledge, assignment and grant. Said pledge shall constitute a lien on and security interest in such amounts and shall be valid and binding from and after the Effective Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Borrower, irrespective of whether such parties have notice hereof. Notwithstanding anything in this Agreement or any other WIFIA Loan Document to the contrary, the Borrower does not and shall not assign, and the WIFIA Lender does not and shall not assume, any obligation, duty or liability of the Borrower under the WIFIA Installment Purchase Agreement. The WIFIA Loan is and shall be secured by the Liens on the Authority Revenues. The Authority Revenues shall be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Loan. The WIFIA Debt Service Account shall be free

and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Installment Payments.

(d) The District shall not use any Gross Revenues to make any payments or satisfy any obligations other than in accordance with the Flow of Funds, the provisions of this Section 7 and the Related Documents and shall not apply any portion of the Gross Revenues in contravention of this Agreement or the other Related Documents. The District shall not use any amounts on deposit in the WIFIA Debt Service Account to make any payments or satisfy any obligations other than the payment of WIFIA Debt Service on the Borrower's behalf.

(e) The Borrower shall not use any Authority Revenues to make any payments or satisfy any obligations other than the payment of WIFIA Debt Service and other amounts payable to the WIFIA Lender hereunder and under the WIFIA Note.

(f) All Gross Revenues shall, immediately upon receipt thereof, be deposited by the District into the Revenue Fund. Amounts deposited in the Revenue Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds.

(g) Following the acceleration of amounts payable by the Borrower hereunder or payable by the District under the WIFIA Installment Purchase Agreement pursuant to Section 21(c) (*Events of Default and Remedies*), Section 21(d) (*Events of Default and Remedies*) or Section 21(e)(vi) (*Events of Default and Remedies*), amounts deposited in the Revenue Fund shall be applied in the order of priority described in, and in accordance with, the Flow of Funds Following Acceleration.

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service.

(i) Pursuant to the WIFIA Installment Purchase Agreement, not later than each WIFIA Installment Payment Date, the District shall, from moneys in the Revenue Fund, transfer to the WIFIA Debt Service Account the WIFIA Installment Payment due and payable on such WIFIA Installment Payment Date. All WIFIA Installment Payments shall be paid directly by the District to the WIFIA Debt Service Account for the benefit of the WIFIA Lender. All WIFIA Installment Payments and any other amounts deposited into the WIFIA Debt Service Account shall be held by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in trust for the benefit of the WIFIA Lender until the immediately succeeding Payment Date, whereupon such money shall be applied to the payment of WIFIA Debt Service.

(ii) On each Payment Date occurring on or after the Debt Service Commencement Date, the Borrower shall pay, or the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall transfer from the WIFIA Debt Service Account on the Borrower's behalf, WIFIA Debt Service by making (A) semi-annual payments of interest on each Interest Payment Date, (B) annual payments of principal on each Principal Payment Date, and (C) payments of any other amounts on each other date on which payment thereof is required to be made hereunder (including the Final Maturity Date and any date on which payment is due by reason of the mandatory

redemption or prepayment or the acceleration of the maturity of the WIFIA Loan or otherwise); provided that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Payments of WIFIA Debt Service shall be made in the amounts and on the Payment Dates as set forth in **Exhibit F** (*WIFIA Debt Service*), as the same may be revised pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*), and shall be calculated by the WIFIA Lender in such manner that each such payment shall be approximately equal in amount, in order for the WIFIA Loan Balance to be reduced to $0 on the Final Maturity Date.

(iii) Notwithstanding anything herein to the contrary, the Outstanding WIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the WIFIA Loan and WIFIA Note are subject to mandatory redemption or prepayment prior to the maturity thereof or accelerated pursuant to Section 21 (*Events of Default and Remedies*)).

(b) Capitalized Interest Period. No payment of the principal of or interest on the WIFIA Loan is required to be made during the Capitalized Interest Period. Interest on amounts capitalized pursuant to this Section 8(b) shall commence on the date such interest is added to the principal balance of the WIFIA Loan (and corresponding WIFIA Note) during the Capitalized Interest Period. On each March 1 and September 1 occurring during the Capitalized Interest Period, interest accrued on the WIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding WIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the Borrower stating the Outstanding WIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; *provided, however*, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other WIFIA Loan Documents. Notwithstanding the foregoing, the Capitalized Interest Period shall end immediately upon written notification to the Borrower by the WIFIA Lender that an Event of Default has occurred, in which case the provisions of this Section 8(b) shall no longer apply and payments of principal and interest shall be currently due and payable in accordance with the terms hereof and interest shall no longer be capitalized. For purposes of this subsection, an Event of Default under Section 21(b)(v) (*Events of Default and Remedies – Cross Default with Obligation Documents*) shall be deemed to have occurred upon the occurrence of any nonpayment of principal of, interest on or redemption price of Obligations when due, regardless of whether the holders of the applicable Obligations or any trustee for the applicable obligations, or any legal order, has waived, permitted deferral of, or forgiven any such payment.

(c) WIFIA Note. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the Effective Date, the WIFIA Note substantially in the form of **Exhibit A** (*Form of WIFIA Note*), having a maximum principal amount (excluding capitalized interest) of $[249,660,876], bearing interest at the WIFIA Interest Rate and having principal and interest payable on the same dates set forth herein. Any payment in respect of the WIFIA Note shall be treated as a payment in respect of the WIFIA Loan and any prepayment of principal in respect of the WIFIA Loan shall be treated as a redemption in

respect of the WIFIA Note. Payments of amounts due under the WIFIA Note shall be secured as set forth in Section 7 (*Security and Priority; Flow of Funds*).

(d) Manner of Payment. The Borrower hereby assigns all its right and interest in and to the WIFIA Installment Payments to the WIFIA Lender and directs the District to transfer, on the Borrower's behalf, all amounts on deposit in the WIFIA Debt Service Account to the WIFIA Lender by wire transfer on or before each Payment Date in Dollars and in immediately available funds (without counterclaim, offset or deduction) in accordance with the payment instructions set forth in **Schedule IV-A** (*WIFIA Loan Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender; provided that neither the assignment of such rights by the Borrower nor such direction by the Borrower to the District with respect to payments hereunder shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party.

(e) Adjustments to Loan Amortization Schedule.

(i) The Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments) will be (A) increased on each occasion on which the WIFIA Lender disburses loan proceeds hereunder, as applicable, by the amount of such disbursement of loan proceeds; (B) increased on each occasion on which interest on the WIFIA Loan is capitalized pursuant to the provisions of Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*), by the amount of interest so capitalized; and (C) decreased upon each payment or prepayment of the Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments), by the amount of principal so paid (and the corresponding Principal Components of the WIFIA Installment Payments). The WIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower or the District, advise the Borrower or the District by written notice of the amount of the Outstanding WIFIA Loan Balance (and the corresponding Principal Components of the WIFIA Installment Payments) as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(ii) The WIFIA Lender is hereby authorized by the District and the Borrower to modify, and the District and the Borrower agree to be bound by such modifications, the Loan Amortization Schedule included in **Exhibit F** (*WIFIA Debt Service*) (and the corresponding schedule of WIFIA Installment Payments) from time to time, in accordance with the principles set forth below in this Section 8(e), to reflect (A) any change to the Outstanding WIFIA Loan Balance, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, and (C) such other information as the WIFIA Lender may determine is necessary for administering the WIFIA Loan, this Agreement, and the WIFIA Installment Purchase Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to the Loan Amortization Schedule (and the corresponding changes to the schedule of WIFIA Installment Payments) as a result of changes in the Outstanding WIFIA Loan Balance shall be applied to reduce future

payments due with respect to the WIFIA Loan in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*). Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** (*WIFIA Debt Service*) shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party. The WIFIA Lender shall provide the Borrower and the District with a copy of **Exhibit F** (*WIFIA Debt Service*) as revised, but no failure to provide or delay in providing the Borrower or the District with such copy shall affect any of the obligations of the Borrower or the District under this Agreement or the other WIFIA Loan Documents.

(f) WIFIA Loan Not District Indebtedness. The WIFIA Loan and the WIFIA Note are limited obligations of the Borrower, payable solely from the Authority Revenues, and do not constitute a debt of the members of the Borrower, the State or any of its political subdivisions (including the District), except the Borrower. Notwithstanding anything to the contrary set forth in this Agreement, the District is not a borrower with respect to the WIFIA Loan, the WIFIA Note, or this Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan or the WIFIA Note except for any payments on behalf of the Borrower contemplated in the WIFIA Installment Purchase Agreement and payments of fees and expenses described in Section 10 (*Fees and Expenses*). This Agreement does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

Section 9. Prepayment.

(a) Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds. The Borrower, or the District as agent of the Borrower, shall prepay the WIFIA Loan from and in the amount of any prepayments of the WIFIA Installment Payments received from the District pursuant to the WIFIA Installment Purchase Agreement and Section 17(f)(v) (*Affirmative Covenants of the District – Insurance; Net Proceeds*) or Section 17(t)(ii) (*Affirmative Covenants of the District – Eminent Domain Proceeds*). The amount of any such prepayment shall be equal to the portion of the Outstanding WIFIA Loan Balance required to be prepaid hereunder plus accrued interest thereon to the date of prepayment. All such prepayments shall be paid to the WIFIA Lender by the District as agent of the Borrower substantially concurrently with the receipt of such amount by the Borrower and applied against the Outstanding WIFIA Loan Balance in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*).

(b) Optional Prepayments. The Borrower (or the District as agent of the Borrower) may prepay the WIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided that such prepayments shall be in principal amounts of $500,000 or any integral multiple of $1.00 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender such principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, which shall be a Payment

Date unless otherwise agreed by the WIFIA Lender, and shall further include payment of all fees and expenses then due and payable hereunder and under the WIFIA Installment Purchase Agreement. Each prepayment of the WIFIA Loan pursuant to this Section 9(b) shall be made on such Payment Date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the WIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Each such optional prepayment of the WIFIA Loan shall be treated as an optional prepayment by the District of the corresponding unpaid Principal Components of the WIFIA Installment Payments, together with the unpaid Interest Components of the WIFIA Installment Payments accrued on the Principal Components of the WIFIA Installment Payments so prepaid to the date of such prepayment, and shall further include payment of all fees and expenses then due and payable hereunder and under the WIFIA Installment Purchase Agreement. Anything in this Section 9(b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(c) Borrower's Certificate. Each prepayment pursuant to this Section 9 shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(d) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire Outstanding WIFIA Loan Balance and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a mandatory or optional prepayment, the WIFIA Lender shall surrender the WIFIA Note to the Borrower or its representative at the principal office of the WIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of the WIFIA Loan, the WIFIA Lender may make a notation on **Exhibit F** (*WIFIA Debt Service*) indicating the amount of principal of and interest on the WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** (*WIFIA Debt Service*) shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner any payment obligation or other obligation of the Borrower hereunder or under any other WIFIA Loan Document to which the Borrower is a party, or any payment obligation of the District under the WIFIA Installment Purchase Agreement or any other obligation of the District hereunder or under any WIFIA Loan Document to which the District is a party. All partial prepayments of principal shall be applied to reduce future payments due on the WIFIA Loan in inverse order of maturity. If such funds have not been so paid on the prepayment date, such principal amount of the WIFIA Loan shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 10. Fees and Expenses.

(a) Fees. The District shall pay, on behalf of the Borrower, to the WIFIA Lender:

(i) a servicing set-up fee equal to $15,970 (the "**Servicing Set-Up Fee**"), which shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan);

(ii) an annual construction period servicing fee equal to $15,970 (the "**Construction Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15 during the Construction Period (including the Federal Fiscal Year during which the Substantial Completion Date occurs); provided that the initial Construction Period Servicing Fee shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan), in a pro-rated amount equal to $12,140[1]; and

(iii) an annual operating period servicing fee equal to $7,990 (the "**Operating Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each November 15, beginning with the first November 15 following the end of the Federal Fiscal Year during which the Substantial Completion Date occurs, until (and including) the Final Maturity Date or such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement; provided that the Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which the Final Maturity Date (or such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement) occurs shall be equal to the pro-rata monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between October 1 and the Final Maturity Date or, if applicable, such earlier date as the WIFIA Loan, including all accrued but unpaid interest thereon and all other amounts payable hereunder, has been irrevocably paid in full in accordance with this Agreement.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the District of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. The District agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, within thirty (30) days after receipt of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal

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[1] **NTD:** This assumes a December closing

counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys', and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with: (i) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under, the Authority Revenues, the Gross Revenues, the WIFIA Debt Service Account, or any provision of this Agreement or any other WIFIA Loan Document or the rights of the WIFIA Lender thereunder; (ii) any amendment, modification, waiver, or consent with respect to this Agreement or any other Related Document; and (iii) any work-out, restructuring, or similar arrangement of the obligations of the Borrower or the District under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default; provided that nothing in this Section 10(c) shall obligate the District to pay principal or interest on the WIFIA Loan or WIFIA Note.

(d) The obligations of the District under this Section 10 shall survive the payment or prepayment in full in accordance with Section 8 or Section 9, respectively, of the WIFIA Note, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

ARTICLE III
CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower and the District shall each have duly executed and delivered to the WIFIA Lender this Agreement and the WIFIA Installment Purchase Agreement and the Borrower shall have duly executed and delivered to the WIFIA Lender the WIFIA Note, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower and the District shall each have delivered to the WIFIA Lender complete and fully executed copies of each Obligation Document to which it is a party and that has been entered into on or prior to the Effective Date and each Existing Construction Contract, together with any amendments, supplements, waivers or modifications thereto, along with a certification in the Borrower Closing Certificate and the District Closing Certificate, respectively, that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower and the District shall each have delivered to the WIFIA Lender a copy of its Organizational Documents, as in effect on the Effective Date,

along with a certification in the Borrower Closing Certificate or District Closing Certificate, as applicable, that such Organizational Documents are in full force and effect.

(iv) The District shall have delivered to the WIFIA Lender a copy of the WIFIA District Resolution, along with a certification that the WIFIA District Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the District to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(v) The Borrower shall have delivered to the WIFIA Lender a copy of the WIFIA Borrower Resolution, along with a certification that the WIFIA Borrower Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(vi) (A) Counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-1** (*Opinions Required from Counsel to Borrower*)), (B) bond counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-2** (*Opinions Required from Borrower Bond Counsel*)), (C) counsel to the District shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-3** (*Opinions Required from Counsel to District*)), and (D) bond counsel to the District shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-4** (*Opinions Required from District Bond Counsel*)).

(vii) The Borrower and the District shall each have delivered to the WIFIA Lender the Non-Debarment Certificate.

(viii) The Borrower and the District shall each have delivered to the WIFIA Lender the Non-Lobbying Certificate.

(ix) The Borrower shall have delivered to the WIFIA Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit H-1** (*Form of Closing Certificate of Borrower*) (the "**Borrower Closing Certificate**"), designating the Borrower's Authorized Representative, confirming such person's position and incumbency, and certifying as to the satisfaction of the following conditions precedent (and, if requested by the WIFIA Lender, shall have provided evidence satisfactory to the WIFIA Lender of such compliance):

(A) the Borrower has obtained all Governmental Approvals necessary to execute and deliver, and perform its obligations under the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(B) as of the Effective Date, (x) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (y) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(C) the Borrower has (x) obtained a Federal Employer Identification Number, (y) obtained a Data Universal Numbering System number, and (z) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov);

(D) the Borrower has obtained a CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA;

(E) the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(F) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since April 30, 2021.

(x) The District shall have delivered to the WIFIA Lender a certificate, signed by the District's Authorized Representative, substantially in the form attached hereto as **Exhibit H-2** (*Form of Closing Certificate of District*) (the "**District Closing Certificate**"), designating the District's Authorized Representative, confirming such person's position and incumbency, and certifying as to the satisfaction of the following conditions precedent (and, if requested by the WIFIA Lender, shall have provided evidence satisfactory to the WIFIA Lender of such compliance):

(A) the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;

(B) the District has obtained all Governmental Approvals necessary (x) as of the Effective Date in connection with the Project and (y) to

execute and deliver, and perform its obligations under the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(C) as of the Effective Date, (x) the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (y) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs;

(D) the District is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(E) the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(F) the District has (x) obtained a Federal Employer Identification Number, (y) obtained a Data Universal Numbering System number, and (z) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov);

(G) the representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(H) no District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred or arisen since April 30, 2021.

(xi) The Borrower shall have provided evidence to the WIFIA Lender's satisfaction, no more than thirty (30) days prior to the Effective Date, of the assignment by at least one (1) Nationally Recognized Rating Agency of a public Investment Grade Rating to the Senior Obligations then Outstanding (or any indebtedness of the Borrower incurred in connection with Senior Obligations then Outstanding) and any Senior Obligations and Subordinate Obligations proposed to be issued for the Project (or any indebtedness of the Borrower proposed to be incurred in connection with Senior Obligations and Subordinate Obligations for the Project, including indebtedness evidenced by the WIFIA Note), along

with a certification in the Borrower Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(xii) The District shall have delivered to the WIFIA Lender a Base Case Financial Model in form and substance acceptable to the WIFIA Lender, along with a certification in the District Closing Certificate that such Base Case Financial Model (A) demonstrates that, as to the District, projected Gross Revenues are sufficient to pay WIFIA Installment Payments and, as to the Borrower, Authority Revenues are sufficient to meet the Loan Amortization Schedule, (B) demonstrates compliance by the District with the Rate Covenant for each District Fiscal Year through the Final Maturity Date, (C) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender and (D) demonstrates that the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over the useful life of the Project.

(xiii) The District shall have delivered to the WIFIA Lender (A) certificates of insurance, along with a certification in the District Closing Certificate that such insurance certificates are true and correct and demonstrate compliance with the requirements of Section 17(f) (*Affirmative Covenants of the District – Insurance; Net Proceeds*) and (B) at the WIFIA Lender's request, copies of such insurance policies and/or, if applicable, documents pertaining to the District's self-insurance program.

(xiv) The District shall have delivered to the WIFIA Lender the Public Benefits Report.

(xv) The District shall have provided the WIFIA Lender records of any Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the WIFIA Lender.

(xvi) The District shall have paid in full all invoices delivered by the WIFIA Lender to the District as of the Effective Date for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(xvii) The District shall have provided evidence to the WIFIA Lender's satisfaction of the (A) establishment by the District of the WIFIA Debt Service Account and (B) the pledge of such account by the District for the sole benefit of the Borrower.

(xviii) The District shall have delivered to the WIFIA Lender copies of (A) the Investment Policy and (B) the Debt Management Policy.

(xix) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender to be provided by the Borrower, all in form and substance satisfactory to the WIFIA Lender.

(xx) The District shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender to be provided by the District, all in form and substance satisfactory to the WIFIA Lender.

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any disbursement of WIFIA Loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The District shall have provided to the WIFIA Lender evidence satisfactory to the WIFIA Lender that (A) the aggregate amount of all disbursements of the WIFIA Loan (including the requested disbursement) will not exceed (1) the maximum principal amount of the WIFIA Loan, (2) the aggregate amount of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, or (3) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule; (B) the District has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs; and (C) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.

(ii) The District shall have provided an Updated Financial Model in compliance with the requirements of Section 20(a) (*Reporting Requirements of the District – Updated Financial Model*).

(iii) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) (including satisfactory Eligible Project Costs Documentation relating to such Requisition), and the WIFIA Lender shall have approved (or be deemed to have approved in accordance with Section 4(c) (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*)) such Requisition. The District's Authorized Representative shall also certify in such Requisition that:

(A) all Governmental Approvals necessary as of the time of such disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect (and are not subject to any notice of violation, breach or revocation);

(B) each of the insurance policies obtained by the District in satisfaction of the requirements of Section 17(f) (*Affirmative Covenants* of the District – *Insurance; Net Proceeds*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider;

(C) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder and no event of default under any other Related Document to which the District is a party shall have occurred and be continuing and (2) no event that, with the giving of notice or the passage of time or both, would

constitute an event of default under any other Related Document to which the District is a party shall have occurred and be continuing;

(D) no District Material Adverse Effect, or any event or condition that could reasonably be expected to result in a District Material Adverse Effect, shall have occurred since April 30, 2021;

(E) the District and each of the contractors and subcontractors at all tiers with respect to the Project have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender; and

(F) the representations and warranties of the District set forth in this Agreement (including Section 13 (*Representations and Warranties of the District*)) and in each other WIFIA Loan Document to which the District is a party shall be true and correct as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(iv) To the extent necessary to make the corresponding representations and warranties true, correct and complete as of the date of the applicable disbursement, the District shall have delivered a schedule, in form and substance satisfactory to the WIFIA Lender, listing any exceptions with respect to the representations and warranties set forth in Section 13(o) (*Environmental Matters*).

(v) The Borrower's Authorized Representative shall have delivered to the WIFIA Lender a certificate in the form of **Appendix Two** (*Form of Borrower Disbursement Certificate*) to **Exhibit D** (*Requisition Procedures*) certifying that:

(A) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder and no event of default under any other Related Document to which the Borrower is a party shall have occurred and be continuing and (2) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any other Related Document to which the Borrower is a party shall have occurred and be continuing;

(B) no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Borrower Material Adverse Effect, shall have occurred since the Effective Date; and

(C) the representations and warranties of the Borrower set forth in this Agreement (including Section 12 (*Representations and Warranties of the*

Borrower)) and in each other WIFIA Loan Document to which the Borrower is a party shall be true and correct as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(vi) To the extent not previously delivered to the WIFIA Lender, the District shall have delivered to the WIFIA Lender copies of any Related Document (including any amendment, waiver, modification or supplement thereto) entered into after the Effective Date, along with a certification in the Requisition that each such document is complete, fully executed and in full force and effect.

(vii) The District shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices received from the WIFIA Lender as of the date of disbursement of the WIFIA Loan and delivered by the WIFIA Lender to the District, for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties other than those (x) contained in Section 12(b) (*Representations and Warranties of the Borrower – Officers' Authorization*), Section 12(k) (*Representations and Warranties of the Borrower – Credit Ratings*) and the first sentence of Section 12(f) (*Representations and Warranties of the Borrower – Litigation*), as of each date on which any disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a joint exercise of powers authority duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence to which it is a party, to execute and deliver this Agreement, the WIFIA Installment Purchase Agreement, and the WIFIA Note, and to carry out and consummate all transactions contemplated hereby and thereby, and has duly authorized the execution, delivery and performance of this Agreement, the WIFIA Note, and the other Related Documents to which it is a party.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the Related Documents (and any certifications or instruments related thereto) to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes the legal,

valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity, the exercise of judicial discretion and the limitation on legal remedies against governmental entities imposed by the laws of the State (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated by the Related Documents to which the Borrower is a party, and the fulfillment of or compliance with the terms and conditions of the Related Documents to which the Borrower is a party, will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any obligations of the Borrower, or of any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents to which it is a party, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents to which the Borrower is a party, or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of any of the Related Documents to which the Borrower is a party, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed. The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Borrower Material Adverse Effect.

(f) Litigation. There is no action suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting the Wastewater System (including the Project) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents to which the Borrower is a party. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the Wastewater System (including the Project), the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Borrower Material Adverse Effect. To the Borrower's knowledge, there are no actions of the type described above pending or, threatened against or

affecting any of the Construction Contractors, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a Borrower Material Adverse Effect or (ii) adversely affect the Borrower's ability to receive Authority Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Updated Financial Model, to the extent any Updated Financial Model has been approved by the WIFIA Lender).

(g) Security Interests. (i) This Agreement and Section 5451 of the California Government Code establish, and (ii) the Borrower has taken all necessary action to pledge, assign, and grant, in each case in favor of the WIFIA Lender, legal, valid, binding and enforceable Liens on the Authority Revenues and the Borrower's rights with respect to the WIFIA Debt Service Account purported to be created, pledged, assigned, and granted pursuant to and in accordance with this Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Such Liens are in full force and effect and are the only Liens in respect of the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account. The Borrower has taken all necessary action to assign to the WIFIA Lender all of its rights (A) to receive the Authority Revenues, (B) with respect to the WIFIA Debt Service Account and (C) to enforce the WIFIA Installment Purchase Agreement upon an event of default thereunder without the need for any further act. The Borrower is not in breach of any covenant set forth in Section 15(a) (*Affirmative Covenants of the Borrower – Securing Liens*) or in any other WIFIA Loan Document to which the Borrower is a party with respect to the matters described in Section 15(a) (*Affirmative Covenants of the Borrower – Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (1) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the Authority Revenues for the benefit of the WIFIA Lender, and (2) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any WIFIA Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability or priority of the security interest in the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vii) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents to which the Borrower is a party are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Laws.

(i) The Borrower has complied with all applicable laws, rules, regulations and requirements.

(ii) No notices of violation of any applicable law have been issued, entered or received by the Borrower other than notices of violations that are immaterial.

(iii) The Borrower is not (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the Borrower, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the Borrower with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) Credit Ratings. The WIFIA Loan and the Senior Obligations (or any indebtedness of the Borrower incurred in connection with Senior Obligations then Outstanding) then Outstanding have received a public Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, written evidence of such ratings has been provided to the WIFIA Lender prior to the Effective Date, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(l) No Defaults. No Default or Event of Default, and no default or event of default by the Borrower under any other Related Document to which the Borrower is a party, has occurred and is continuing.

(m) Information. Neither the WIFIA Loan Documents to which the Borrower is a party, nor any documents, certificates or statements provided to the WIFIA Lender by representatives of the Borrower in connection with the transactions contemplated thereby, which for purposes of this Section 12(m) shall consist of all documents or statements related to the Application or the Project, cash flow schematics, responses to due diligence interrogatories or requests from the WIFIA Lender or its advisors, and documents uploaded to the online WIFIA SharePoint data room made accessible to the Borrower by the WIFIA Lender, to the extent such documents, certificates, statements or other materials relate to the Borrower (including its finances or operations) or the Project, contains any untrue statement of any material fact or omits to state any material fact necessary so as to make such WIFIA Loan Documents, documents, certificates, statements or other materials so provided to the WIFIA Lender, in light of the circumstances under which they were made, not misleading.

(n) Insurance. The Borrower is in compliance with all insurance obligations applicable to the Borrower required under each Related Document to which the Borrower is a party

as of the date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower's self-insurance program is actuarially sound and the Borrower has received an opinion from an accredited actuary within the last twelve (12) months, which opinion confirms that the Borrower's self-insurance program is actuarially sound.

(o) No Prohibited Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Authority Revenues or its rights with respect to the WIFIA Debt Service Account. The Authority Revenues and the Borrower's rights with respect to the WIFIA Debt Service Account are free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the pledge and Lien thereon for the benefit of the WIFIA Lender.

(p) Borrower Financial Statements. Each Borrower Financial Statement delivered to the WIFIA Lender by the Borrower pursuant to Section 19(a) (*Reporting Requirements of the Borrower – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein, if any such balance sheets and statements are prepared. Except as reflected in such Borrower Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the periods to which such Borrower Financial Statements relate that are required to be disclosed in accordance with GAAP.

(q) Securities Laws. Under existing law, the WIFIA Note may be issued and sold without registration under the Securities Act of 1933, as amended, and any State blue sky laws.

(r) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(s) Sovereign Immunity. The Borrower either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Borrower under any of the Related Documents to which the Borrower is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder, or, to the extent that the Borrower has such immunity, the Borrower has waived such immunity pursuant to Section 15(j) (*Affirmative Covenants of the Borrower – Immunity*).

(t) Patriot Act. The Borrower is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act. [2]

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[2] **Note to the Borrower:** Please confirm that USDFA is not required to establish an anti-money laundering compliance program.

(u) No Federal Debt. The Borrower has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 13. Representations and Warranties of the District. The District hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 13(b) (*Representations and Warranties of the District – Officers' Authorization*) the first sentence of Section 13(f) (*Representations and Warranties of the District – Litigation*) and the first sentence of Section 13(m) (*Representations and Warranties of the District – Construction Contracts*), as of each date on which any disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The District is a sanitary district duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence to which it is a party, to execute and deliver this Agreement and the WIFIA Installment Purchase Agreement, and to carry out and consummate all transactions contemplated hereby and thereby, and has duly authorized the execution, delivery and performance of this Agreement and the other Related Documents to which it is a party.

(b) Officers' Authorization. As of the Effective Date, the officers of the District executing (or that previously executed) the Related Documents (and any certifications or instruments related thereto) to which the District is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the District is a party has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity, the exercise of judicial discretion and the limitation on legal remedies against governmental entities imposed by the laws of the State (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the District is a party, the consummation of the transactions contemplated by the Related Documents to which the District is a party, and the fulfillment of or compliance with the terms and conditions of the Related Documents to which the District is a party, will not (i) conflict with the District's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the District of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any obligations (including any Obligations and any Installment Payment obligations) of the District or of any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the District of the Related Documents to which it is a party, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any of the Related Documents to which the District is a party, or (B) the fulfillment of or compliance by the District with the terms and conditions of any of the Related Documents to which the District is a party, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed. The District is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a District Material Adverse Effect.

(f) Litigation. There is no action suit, proceeding or, to the knowledge of the District, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the District, threatened against or affecting the Wastewater System (including the Project) or the ability of the District to execute, deliver and perform its obligations under the Related Documents to which the District is a party. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the District, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the District, threatened against or affecting the Wastewater System (including the Project), the District or the assets, properties or operations of the District, that in any case could reasonably be expected to result in a District Material Adverse Effect. To the District's knowledge, there are no actions of the type described above pending or, threatened against or affecting any of the Construction Contractors, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a District Material Adverse Effect or (ii) adversely affect the District's ability to receive Gross Revenues and Net Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Updated Financial Model, to the extent any Updated Financial Model has been approved by the WIFIA Lender) or to pay the WIFIA Installment Payments.

(g) Security Interests. (i) The WIFIA Installment Purchase Agreement and Section 5451 of the California Government Code establish, and (ii) the District has taken all necessary action to pledge, assign, and grant, in each case in favor of the Borrower, legal, valid, binding and enforceable Liens on the District Collateral purported to be created, pledged, assigned, and granted pursuant to and in accordance with the WIFIA Installment Purchase Agreement, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. The Liens on the District Collateral in favor of the Borrower are in full force and effect and are (A) not subordinate or junior to any other Liens in respect of the Gross Revenues other than the Liens on the Gross Revenues for the benefit of the Senior Obligations, and (B) not *pari passu* with any Liens in respect of the Gross Revenues other than the Liens on the Gross Revenues for the benefit of the Subordinate Obligations. The Lien on the WIFIA Debt Service Account in favor of the Borrower is the only Lien with respect to the

WIFIA Debt Service Account. The District is not in breach of any covenant set forth in Section 17(b) (*Affirmative Covenants of the District – Securing Liens*) or in any WIFIA Loan Document to which the District is a party with respect to the matters described in Section 17(b) (*Affirmative Covenants of the District – Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (1) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the District Collateral for the benefit of the Borrower, and (2) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any WIFIA Loan Document or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, validity, enforceability or priority of the security interest in the District Collateral granted pursuant to the WIFIA Installment Purchase Agreement is governed by Article 9 of the UCC.

(h) No Debarment. The District has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the District nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vii) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the District set forth in this Agreement and the other Related Documents to which the District is a party are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Laws.

(i) The District and each of the contractors and subcontractors at all tiers with respect to the Project have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§ 3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the District has included in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 13(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 13(j) (including with respect to the Davis-Bacon Act requirements).

(iii) No notices of violation of any applicable law have been issued, entered or received by the District or, to the District's knowledge and solely in respect of the Project or any Construction Contract, any Construction Contractor, other than, in each case, notices of violations that are immaterial.

(iv) The District is not and, to the knowledge of the District, no Construction Contractor is, (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the District, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the District or any Construction Contractor, with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) No Defaults. No Default or Event of Default, and no default or event of default by the District under any other Related Document (excluding Construction Contracts) to which the District is a party, has occurred and is continuing.

(l) Governmental Approvals. All Governmental Approvals required as of the Effective Date and required as of any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of or a default under any such Governmental Approval.

(m) Construction Contracts. Attached as **Schedule 13(m)** (*Construction Contracts*) is a list of the Existing Construction Contracts and all Additional Construction Contracts that are expected to be entered into. With respect to each Construction Contract that has been entered into on or prior to any date on which this representation and warranty is made, (x) it is in full force and effect, (y) all conditions precedent to the obligations of the respective parties under each such Construction Contract have been satisfied and (z) the District has delivered to the WIFIA Lender a fully executed, complete and correct copy of each such Construction Contract, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the District or, to the District's knowledge, any Construction Contractor, the right to terminate any such Construction Contract. The District is not in breach of any material term in or in default under any Construction Contract, and to the knowledge of the District no party to any Construction Contract is in breach of any material term therein or in default thereunder.

(n) Information. Neither the WIFIA Loan Documents to which the District is a party, nor any documents, certificates or statements provided to the WIFIA Lender by

representatives of the District in connection with the transactions contemplated thereby, which for purposes of this Section 13(n) shall consist of all financial models, project budgets, documents or statements related to the Application or the Project, cash flow schematics, responses to due diligence interrogatories or requests from the WIFIA Lender or its advisors, and documents uploaded to any data room made accessible to the District by the WIFIA Lender (or its advisors) or provided to the WIFIA Lender in an electronic written communication, to the extent such documents, certificates, statements or other materials relate to the District (including its finances or operations) or the Project, contains any untrue statement of any material fact or omits to state any material fact necessary so as to make such WIFIA Loan Documents, documents, certificates, statements or other materials so provided to the WIFIA Lender, in light of the circumstances under which they were made, not misleading.

(o) Environmental Matters. The District and, to the District's knowledge, each Construction Contractor, is in compliance with all laws applicable to the Wastewater System (including the Project) relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Wastewater System (including the Project) (collectively, the "**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. The District has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the District is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the District's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the District with any such Environmental Law or Governmental Approval. The District has provided to the WIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the District regarding the District's or the Project's compliance with (A) Environmental Laws and (B) Governmental Approvals that are required for the Project and relate to Environmental Laws.

(p) Sufficient Rights. The District possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Wastewater System (including the Project), in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the Wastewater System (including the Project). As of any date on which this representation and warranty is made, the Construction Contracts then in effect and the Governmental Approvals that have been obtained and are then in full force and effect create rights in the District sufficient to enable the District to own, construct, operate, maintain and repair the Wastewater System (including the Project) and to perform its obligations under the Construction Contracts to which it is a party.

(q) Insurance. The District is in compliance with all insurance obligations required under each Related Document to which the District is a party as of the date on which this representation and warranty is made. To the extent the District self-insures, the District's self-insurance program is actuarially sound and the District has received an opinion from an accredited

actuary within the last twelve (12) months, which opinion confirms that the District's self-insurance program is actuarially sound.

(r) No Prohibited Liens. Except for Permitted Liens, the District has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Gross Revenues, the Wastewater System, the WIFIA Debt Service Account, the Project or the properties or assets in relation to the Project.

(s) District Financial Statements. Each District Financial Statement delivered to the WIFIA Lender by the District pursuant to Section 20(b) (*Reporting Requirements of the District – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the District as of the respective dates of the balance sheets included therein and the results of operations of the District for the respective periods covered by the statements of income included therein. Except as reflected in such District Financial Statements, there are no liabilities or obligations of the District of any nature whatsoever for the periods to which such District Financial Statements relate that are required to be disclosed in accordance with GAAP.

(t) Taxes. The District is not required to file tax returns with any Governmental Authority.

(u) Sufficient Funds. The amount of the WIFIA Loan, when combined with all other funds committed for the development and construction of the Project as set forth under the various sources of funds in the Base Case Financial Model and the Project Budget will be sufficient to carry out the Project, pay all Total Project Costs anticipated for the development and construction of the Project and achieve Substantial Completion by the Projected Substantial Completion Date.

(v) Sovereign Immunity. The District either has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the District under any of the Related Documents to which the District is a party or the transactions contemplated hereby or thereby, including the obligations of the District hereunder and thereunder, or, to the extent that the District has such immunity, the District has waived such immunity pursuant to Section 17(n) (*Affirmative Covenants of the District – Immunity*).

(w) Patriot Act. The District is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act. [3]

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[3] **Note to the District:** Please confirm that USD is not required to establish an anti-money laundering compliance program.

(x) No Federal Debt. The District has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 14. Representations and Warranties of WIFIA Lender. The WIFIA Lender represents and warrants that:

(a) Power and Authority. The WIFIA Lender has all requisite power and authority to make the WIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the WIFIA Lender, and are legally valid and binding agreements of the WIFIA Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the WIFIA Lender executing each of the Related Documents to which the WIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the WIFIA Lender.

ARTICLE V
COVENANTS

Section 15. Affirmative Covenants of the Borrower. The Borrower covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Securing Liens. The Borrower shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Authority Revenues (whether now existing or hereafter arising) and the Borrower's rights with respect to the WIFIA Debt Service Account granted to the WIFIA Lender for its benefit pursuant to the WIFIA Loan Documents to which the Borrower is a party, or intended so to be granted pursuant to the WIFIA Loan Documents to which the Borrower is a party, or which the Borrower may become bound to grant, and the Borrower shall at all times maintain the Authority Revenues and its rights with respect to the WIFIA Debt Service Account free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto other than the Liens with respect to the WIFIA Loan, and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Authority Revenues granted pursuant to the WIFIA Loan Documents and for the benefit of the WIFIA Lender under the WIFIA Loan Documents against all claims and demands of all Persons whomsoever.

(b) Use of Proceeds. The Borrower shall use, and shall cause the District pursuant to the WIFIA Installment Purchase Agreement to use, the proceeds of the WIFIA Loan solely for purposes permitted by applicable law and as otherwise permitted by this Agreement.

(c) Verification Requirements. The Borrower shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(d) Operation of the Borrower. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(e) Maintain Legal Structure. The Borrower shall maintain its existence as a joint exercise of powers authority organized and existing under its Organizational Documents and the laws of the State.

(f) Compliance with Laws.

(i) The Borrower shall comply with all applicable laws, rules, regulations and requirements.

(ii) No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document shall violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(g) Material Obligations; Payment of Claims.

(i) The Borrower shall pay its material obligations promptly and in accordance with their terms.

(ii) The Borrower shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Authority Revenues, before the same shall become delinquent or in default; provided that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(iii) The Borrower will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Authority Revenues.

(h) SAM Registration. The Borrower shall (i) obtain prior to the Effective Date (and provide such registration information to the WIFIA Lender) and maintain through the Final Disbursement Date an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(i) DUNS Number. The Borrower shall (i) obtain prior to the Effective Date (and provide such number to the WIFIA Lender) and maintain from Dun & Bradstreet (or a successor entity) a Data Universal Numbering System Number (a "**DUNS Number**") and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such DUNS Number, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement have been irrevocably paid in full in immediately available funds.

(j) Immunity. To the fullest extent permitted by applicable law, the Borrower agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other WIFIA Loan Document to which the Borrower is a party.

(k) Accounting and Audit Procedures.

(i) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for Authority Revenues, debt issued and outstanding and debt payments. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first Borrower Fiscal Year in which there is a disbursement of WIFIA Loan proceeds and annually thereafter to the extent required by applicable law, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(l) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to examine books of account and records of the Borrower relating to the Project, to make copies and extracts therefrom at the District's expense, and to discuss the Borrower's affairs, finances and accounts relating to the WIFIA Loan with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this

Section 15(l) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request.

(ii) The Borrower shall maintain and retain all files relating to the WIFIA Loan until five (5) years after the later of the date on which (A) all rights and duties under this Agreement and under the WIFIA Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower.

(m) Compliance with Contracts. The Borrower will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Wastewater System, to the extent that the Borrower is a party thereto.

(n) Further Assurances. The Borrower will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the WIFIA Lender the rights and benefits provided to it herein.

Section 16. Negative Covenants of the Borrower. The Borrower covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or impair the Liens on the Authority Revenues or the Borrower's rights with respect to the WIFIA Debt Service Account granted pursuant to this Agreement, (ii) amend, modify, terminate, assign, replace or supplement, or permit a waiver of any provision of, the WIFIA Installment Purchase Agreement, (iii) amend, modify, replace or supplement any Related Document to which the Borrower is a party (other than the WIFIA Installment Purchase Agreement) or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to result in a Borrower Material Adverse Effect, or (iv) terminate, assign or replace any Related Document to which the Borrower is a party (other than the WIFIA Installment Purchase Agreement) in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Borrower Material Adverse Effect. The Borrower shall not take or omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the District to secure adequate Net Revenues to meet the requirements of the WIFIA Loan Documents.

(b) No Prohibited Liens. Except for the Liens with respect to the WIFIA Loan for the benefit of the WIFIA Lender, the Borrower shall not create, incur, assume or permit to exist any Lien on the Authority Revenues or its rights with respect to the WIFIA Debt Service Account.

(c) Borrower Fiscal Year. The Borrower shall not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(d) No Defeasance. Notwithstanding anything to the contrary in any document, the WIFIA Loan shall not be subject to defeasance and no amounts in respect of the WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement.

(e) Hedging. Other than Qualified Hedges, the Borrower shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the WIFIA Lender.

(f) Variable Interest Rate Obligations. The Borrower shall not, on behalf of the District, issue any obligation that is to bear interest at a Variable Interest Rate if such issuance would cause the principal amount of all Outstanding Variable Interest Rate Obligations to exceed twenty-five percent (25%) of the principal amount of all Outstanding Obligations.

(g) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Authority Revenues or (B) the availability of the Authority Revenues for the payment and security of the obligations of the Borrower under this Agreement or this Agreement, (ii) the Borrower provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender, and (iii) either (A) any surviving entity as a result of such reorganization, merger or consolidation that is not the Borrower immediately prior to the reorganization, merger or consolidation executes, acknowledges, and delivers to the WIFIA Lender an agreement satisfactory to the WIFIA Lender in form and substance whereby such surviving entity assumes the Borrower's obligations under this Agreement, or (B) the Borrower delivers to the WIFIA Lender the statute implementing such reorganization, merger or consolidation or an order or other document of the State or local agency with statutory jurisdiction over such reorganization, merger or consolidation, in either case containing a provision requiring the surviving entity to assume the Borrower's obligations with respect to bonds, notes and other obligations, including the WIFIA Installment Purchase Agreement and this Agreement. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

Section 17. Affirmative Covenants of the District. The District covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant.

(i) To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each District Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected to be at least sufficient to yield during each District Fiscal Year (A) Net Revenues equal to one hundred twenty percent (120%) of the Debt Service payable in such District Fiscal Year and (B) Net Revenues remaining after payment of Debt Service equal to one hundred ten percent (110%) of Subordinate Debt Service payable in such District Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section 17(a)(i).

(ii) For avoidance of doubt, so long as the District has complied with its obligations set forth in clause (a)(i) of this section, the failure of Net Revenues to meet the thresholds set forth in clause (a)(i) of this section at the end of a District Fiscal Year shall not constitute a default or a Default or an Event of Default so long as the District has complied with clause (a)(i) of this section at the commencement of the succeeding District Fiscal Year.

(b) Securing Liens. The District shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the District Collateral(whether now existing or hereafter arising) granted to the Borrower for its benefit pursuant to the WIFIA Installment Purchase Agreement, or intended so to be granted pursuant to the WIFIA Installment Purchase Agreement, or which the District may become bound to grant, and the District shall at all times maintain the District Collateral and the WIFIA Debt Service Account free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the WIFIA Installment Purchase Agreement (except with respect to the WIFIA Debt Service Account, free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, regardless of priority), other than as permitted by this Agreement and the WIFIA Installment Purchase Agreement, and all organizational, regulatory or other necessary action on the part of the District to that end shall be duly and validly taken at all times. The District shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the District Collateral granted for the benefit of the Borrower pursuant to the WIFIA Installment Purchase Agreement against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. The District shall use the proceeds of the WIFIA Loan solely for purposes permitted by applicable law and as otherwise permitted under this Agreement, the WIFIA Installment Purchase Agreement and the other Related Documents to which the District is a party.

(d) Prosecution of Work; Verification Requirements.

(i) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, the Governmental Approvals in connection with the Project, and the highest standards of the District's industry.

(ii) The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall ensure that each Construction Contractor complies with all applicable laws and legal or contractual requirements with respect to any performance security instrument delivered by such Construction Contractor to the District and shall ensure that any letter of credit provided pursuant to any Construction Contract meets the requirements therefor set forth in such Construction Contract.

(iii) The District shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(e) Maintenance and Operation of the Wastewater System. The District shall (i) operate and maintain the Wastewater System (including, but not limited to, the Project) in a reasonable and prudent manner and (ii) maintain the Wastewater System (including the Project) in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable Related Document. The District shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(f) Insurance; Net Proceeds.

(i) The District will procure and maintain or cause to be procured and maintained insurance on the Wastewater System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Wastewater System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties. The District shall cause each Construction Contractor to obtain and maintain builders risk and casualty and liability insurance in accordance with the requirements of the applicable Construction Contract.

(ii) The District shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide for workers' compensation insurance for District's workers and insurance against public liability and property damage to the District Operations (including the Project) to the extent reasonably necessary to protect the District and the WIFIA Lender.

(iii) The District shall cause all liability insurance policies that it maintains (and, during the Construction Period, all liability insurance policies that are

maintained by any Construction Contractor), other than workers' compensation insurance, to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(iv) In the event of any damage to or destruction of the Wastewater System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Wastewater System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Wastewater System shall be free and clear of all claims and liens.

(v) If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the remaining excess Net Proceeds, after any prepayment therefrom of the Senior Obligations in accordance their Obligation Documents, shall be applied in part to the prepayment of the WIFIA Loan as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and in part to such other funds or accounts as may be appropriate and used for the retirement of the Subordinate Obligations (other than the WIFIA Loan) in the same proportion which the Outstanding WIFIA Loan Balance then bears to the aggregate unpaid principal amount of the Subordinate Obligations (other than the WIFIA Loan). If such Net Proceeds are sufficient to discharge all obligations under this Agreement, the WIFIA Note, and the WIFIA Installment Purchase Agreement and all other Outstanding Obligations, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Wastewater System, and thereupon such Net Proceeds shall be applied to the prepayment of the Outstanding WIFIA Loan Balance as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and to the retirement of such other Outstanding Obligations.

(vi) The District will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Borrower, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal wastewater systems similar to the Wastewater System.

(vii) Any insurance required to be maintained by Section 17(f)(i) and, if the District determines to procure and maintain insurance pursuant to Section 17(f)(vi), such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with wastewater systems similar to the Wastewater System and is, in the opinion of an accredited actuary, actuarially sound.

(viii) All policies of insurance required to be maintained herein shall provide that the Borrower and the WIFIA Lender shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(ix) Promptly upon request by the WIFIA Lender, the District shall deliver to the WIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower or the District in respect of the Project. All such policies shall be available at all reasonable times for inspection by the WIFIA Lender, its agents and representatives.

(g) Maintain Legal Structure. The District shall maintain its existence as a sanitary district organized and existing under its Organizational Documents and the laws of the State.

(h) Accounts; Permitted Investments.

(i) The District shall maintain the Revenue Fund in accordance with the terms hereof and the other WIFIA Loan Documents. All Gross Revenues received shall be deposited in the Revenue Fund when and as received in trust for the benefit of the holders of the Obligations, subject to the application of Gross Revenues to Operation and Maintenance Costs. The District shall maintain and hold separate and apart from other funds the Revenue Fund so long as any Obligations remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in the Flow of Funds.

(ii) All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

(iii) The District shall maintain the Parity Debt Reserve, if any, in accordance with the terms of the WIFIA Installment Purchase Agreement.

(i) WIFIA Debt Service Account. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall (i) establish the WIFIA Debt Service Account on or prior to the first WIFIA Installment Payment Date and (ii) maintain the WIFIA Debt Service Account in accordance with the WIFIA Installment Purchase Agreement for the benefit of the Borrower. The WIFIA Debt Service Account shall be subject to a Lien and has been pledged by the District to the Borrower as security solely for the benefit of the Borrower and shall not be subject to any security interest in favor of any Person other than the Borrower and the WIFIA Lender, as assignee of the Borrower's rights therein. Amounts on deposit in the WIFIA Debt Service Account shall be applied by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, solely to pay WIFIA Debt Service and other amounts due with respect to the WIFIA Loan or the WIFIA Note.

(j) Compliance with Laws.

(i) The District shall, and shall require the contractors and subcontractors at all tiers with respect to the Project to, comply with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the District shall include in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractors (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 17(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 17(j) (including with respect to the Davis-Bacon Act requirements).

(k) Material Obligations; Payment of Claims.

(i) The District shall pay its material obligations promptly and in accordance with their terms.

(ii) The District shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Gross Revenues or other assets of the Wastewater System, before the same shall become delinquent or in default; provided that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the District in good faith by appropriate proceedings and so long as the District shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(iii) The District shall pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Wastewater System (or any part thereof), the WIFIA Debt Service Account, the Project, the Gross Revenues or any fund or account of the District pledged to pay Obligations.

(l) SAM Registration. The District shall (i) obtain prior to the Effective Date (and provide such registration information to the WIFIA Lender) and maintain through the Final Disbursement Date an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(m) DUNS Number. The District shall (i) obtain prior to the Effective Date (and provide such number to the WIFIA Lender) and maintain from Dun & Bradstreet (or a successor entity) a Data Universal Numbering System Number (a "**DUNS Number**") and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such DUNS Number, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement have been irrevocably paid in full in immediately available funds.

(n) Immunity. To the fullest extent permitted by applicable law, the District agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to

the enforcement of any of the obligations of the District under this Agreement or any other WIFIA Loan Document to which the District is a party.

(o) Accounting and Audit Procedures.

(i) The District shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all of the following: (A) Gross Revenues, Authority Revenues, operating expenses, capital expenses, depreciation, reserves, debt issued and outstanding and debt payments; and (B) Project-related costs, WIFIA Loan requisitions submitted, WIFIA Loan proceeds received, payments made by the District, as an agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, with regard to the Project, and other sources of funding for the Project (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement). The District shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Installment Payments, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The District shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 from (and including) the first District Fiscal Year in which there is a disbursement of WIFIA Loan proceeds and annually thereafter to the extent required by applicable law, except to the extent biennial audits are permitted for the District pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the District shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(p) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the WIFIA Loan shall have been paid in full by the Borrower, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any portion of the Project, to examine books of account and records of the District relating to the Project, to make copies and extracts therefrom at the District's expense, and to discuss the District's affairs, finances and accounts relating to the Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the District irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the District, whether or not any representative of the District is present, it being understood that nothing contained in this Section 17(p) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The District agrees to pay all out-of-pocket expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights

under this Section 17(p) at any time when an Event of Default shall have occurred and be continuing.

(ii) The District shall maintain and retain all files relating to the Project and the WIFIA Loan until five (5) years after the later of the date on which (A) all rights and duties of the District or the Borrower under this Agreement and of the Borrower under the WIFIA Note (including payments) have been fulfilled and any required audits have been performed and (B) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the District. The District shall provide to the WIFIA Lender in a timely manner all records and documentation relating to the Project that the WIFIA Lender may reasonably request from time to time.

(q) Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts affecting or involving the Wastewater System, to the extent that the District is a party thereto.

(r) Protection of Security and Rights of the Borrower. The District will preserve and protect the security and the rights of the Borrower to the WIFIA Installment Payments and the WIFIA Debt Service Account under the WIFIA Installment Purchase Agreement and will warrant and defend such rights against all claims and demands of all persons.

(s) Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Wastewater System and providing for the billing thereof and for a due date and a delinquency date for each bill.

(t) Eminent Domain Proceeds. If all or any part of the Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(i) If (A) the District files with the Borrower and the WIFIA Lender a certificate showing (1) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (2) a general description of the additions, betterments, extensions or improvements to the Wastewater System proposed to be acquired and constructed by the District from such Net Proceeds, and (3) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (B) the District, on the basis of such certificate filed with the Borrower and the WIFIA Lender, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any

balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(ii) If any of the conditions set forth in Section 17(t)(i) is not met, then the remaining Net Proceeds, after any prepayment therefrom of the Senior Obligations in accordance their Obligation Documents, shall be applied by the District in part to the prepayment of the WIFIA Loan as provided in Section 9(a) (*Prepayment – Mandatory Prepayment from Net Proceeds or Eminent Domain Proceeds*) and in part to such other funds or accounts as may be appropriate and used for the retirement of the Subordinate Obligations (other than the WIFIA Loan) in the same proportion which the Outstanding WIFIA Loan Balance then bears to the aggregate unpaid principal amount of such Subordinate Obligations (other than the WIFIA Loan).

(u) Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the WIFIA Lender the rights and benefits provided to it herein.

(v) Senior Obligations Documents and Subordinated Obligations Documents. Each Obligation Document for Senior Obligations and each Obligation Document for Subordinate Obligations entered into by the District shall contain a flow of funds substantively the same as the flow of funds set forth in Section 7 (*Security and Priority; Flow of Funds*).

Section 18. Negative Covenants of the District. The District covenants and agrees as follows until the date the WIFIA Note and all of the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full by the Borrower in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Additional Obligations. The District shall not create, incur or suffer to exist any Additional Obligations unless the conditions described below are satisfied:

(i) The District may not issue or incur any Additional Senior Obligations during the term of the WIFIA Loan Agreement unless all of the following conditions are satisfied:

(A) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Senior Obligation or the date of the Contract execution of such Senior Obligation, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period; and

(B) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of

the District of the resolution authorizing the issuance of such Senior Obligation or the date of the Contract execution of such Senior Obligation, as the case may be, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued on any executed or issued Senior Obligations since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Senior Obligations had been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued had such proposed additional Senior Obligation been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period.

Notwithstanding Sections 18(a)(i)(A) and (B), any Senior Obligation to refund or prepay Senior Obligations may be delivered without satisfying the conditions set forth above if Debt Service in each District Fiscal Year after the District Fiscal Year in which such new senior obligation is issued or executed is not greater than one hundred five percent (105%) of the Debt Service which would have been payable in each such District Fiscal Year prior to the issuance or execution of such new Senior Obligation.

For the avoidance of doubt, the WIFIA Installment Purchase Agreement shall be treated as a Senior Obligation for purposes of Sections 18(a)(i)(A) and (B), and the District shall not issue any Additional Senior Obligations that are senior in right of payment or right of security to any Existing Senior Obligations.

(ii) The District shall not create, incur or suffer to exist any Additional Subordinate Debt on parity with the WIFIA Installment Payments unless:

(A) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of issuance or execution of such Subordinate Debt, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period; and

(B) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the issuance or the execution of such Subordinate Debt, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service

approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued on any Subordinate Debt issued since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Subordinate Debt had been issued or executed, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued had such proposed Subordinate Debt been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period.

Notwithstanding Sections 18(a)(ii)(A) and (B), any Subordinate Debt on parity with the WIFIA Installment Payments that is executed to refund or prepay Senior Obligations or other Subordinate Debt on parity with the WIFIA Installment Payments may be delivered without satisfying the conditions set forth above if Debt Service and Subordinate Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Subordinate Debt is issued or executed is not greater than one hundred five percent (105%) of the Debt Service and Subordinate Debt Service which would have been payable in each such District Fiscal Year prior to the issuance of or execution of such Subordinate Debt.

(iii) Upon the incurrence of any Additional Obligations, the District shall provide to the WIFIA Lender a certificate signed by the District's Authorized Representative (x) specifying the closing date with respect to such Additional Obligations and (y) confirming that such Additional Obligations are authorized pursuant to, and satisfy the applicable requirements under, this Section 18(a).

(iv) To the extent any Permitted Obligation consists of Tender Option Obligations, the District must maintain a Credit Facility that will pay any amounts payable by the District or the Borrower in respect of such Tender Option Obligations.

(v) The District shall not create, incur or suffer to exist any obligations of the Project that are secured by a Lien on any assets or property of the District other than the Gross Revenues.

(b) No Lien Extinguishment or Adverse Amendments. The District shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or impair the Liens on the Gross Revenues or the WIFIA Debt Service Account granted pursuant to the WIFIA Installment Purchase Agreement, (ii) amend, modify, terminate, assign, replace or supplement, or permit a waiver of any provision of, the WIFIA Installment Purchase Agreement, (iii) amend, modify, replace or supplement any Related Document to which the District is a party (other than the WIFIA Installment Purchase Agreement) or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender, including with respect to the WIFIA Lender's entitlement to a first priority security interest upon the occurrence of a Bankruptcy Related Event pursuant to Section 7(a) (*Security and Priority; Flow of Funds*) and Section 21(d) (*Events of Default and Remedies*), or could reasonably be expected to result in

a Material Adverse Effect, or (iv) terminate, assign or replace any Related Document to which the District is a party (other than (A) the WIFIA Installment Purchase Agreement and (B) Obligation Documents relating to Subordinate Obligations) in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect. The District shall not take or omit to take any action under any contract if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the District to secure adequate Net Revenues to meet the requirements of the WIFIA Installment Purchase Agreement.

(c) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Wastewater System, a substantial portion of the assets included in the Wastewater System, or its rights and obligations under any Construction Contract, in each case unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by the Borrower in the ordinary course of business.

(d) Restricted Payments and Transfers. The District shall not permit Gross Revenues or other assets of the Wastewater System, or any funds in any fund or account held pursuant to the WIFIA Installment Purchase Agreement or any ancillary agreement related thereto, or in any other fund or account held by or on behalf of the District, to be paid or transferred or otherwise applied for purposes other than ownership, construction and improvement, operation or maintenance of the Wastewater System.

(e) Against Sale or Other Disposition of Property.

(i) The District shall not enter into any agreement or lease which impairs the operation of the Wastewater System or any part thereof necessary to secure adequate Net Revenues to meet the requirements of the WIFIA Installment Purchase Agreement, or which would otherwise impair the rights of the Borrower under the WIFIA Installment Purchase Agreement or the operation of the Wastewater System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the WIFIA Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

(ii) Nothing herein shall restrict the ability of the District to sell any portion of the Wastewater System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Wastewater System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Wastewater System.

(f) District Fiscal Year. The District shall not at any time adopt any fiscal year other than the District Fiscal Year, except with thirty (30) days' prior written notice to the WIFIA Lender.

(g) Against Competitive Facilities. The District will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and

within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any system competitive with the Wastewater System.

(h) No Defeasance. Notwithstanding anything to the contrary in any Obligation Document or document related thereto, the WIFIA Loan shall not be subject to defeasance and no amounts in respect of the WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement.

(i) Hedging. Other than Qualified Hedges, the District shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the WIFIA Lender.

(j) Variable Interest Rate Obligations. The District shall not issue any Additional Obligation that is to bear interest at a Variable Interest Rate if such issuance would cause the principal amount of all Outstanding Variable Interest Rate Obligations to exceed twenty-five percent (25%) of the principal amount of all Outstanding Obligations.

(k) Mergers and Acquisitions. The District shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Gross Revenues and the WIFIA Debt Service Account or (B) the availability of the Gross Revenues for the payment and security of the obligations of the District under the WIFIA Installment Purchase Agreement or this Agreement; and (ii) the District provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender. In addition, the District shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

Section 19. Reporting Requirements of the Borrower.

(a) Annual Financial Statements. The Borrower shall deliver to the WIFIA Lender, as soon as available, and within one hundred eighty (180) days after the end of each Borrower Fiscal Year:

(i) to the extent the Borrower is not treated as a component unit of the District in accordance with GAAP, a copy of the audited Borrower Financial Statements as of the end of such Borrower Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied

consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein); and

(ii) together with each delivery of such audited Borrower Financial Statements, a certificate signed by the Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the annual period covered by such Borrower Financial Statements, there occurred any Default or Event of Default and, if any such Default or Event of Default shall have occurred during such period, the nature of such Default or Event of Default and the actions that the Borrower has taken or intends to take in respect thereof.

provided, that the failure of the Borrower to deliver to the WIFIA Lender the financial statements required by this Section 19(a) within such 180-day period shall not constitute a Default or an Event of Default so long as the Borrower delivers such financial statements within one hundred twenty (120) days after the end of such period.

(b) Notices.

(i) The Borrower shall, within fifteen (15) days after it learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event (provided that the Borrower shall not be obligated to provide such notice to the WIFIA Lender if notice of such event has already been provided to the WIFIA Lender by the District):

(A) Defaults; Events of Default: any Default or Event of Default;

(B) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Borrower Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower that could reasonably be expected to have a Borrower Material Adverse Effect, either individually or in the aggregate;

(C) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of fully executed amendments, modifications, replacements or supplements to any Related Document to which the Borrower is a party within ten (10) days following execution thereof; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(D) Related Document Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Related Document to which the Borrower is a party; provided that such notice can be

accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(E) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of the Borrower's principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(F) Issuance of Indebtedness: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any indebtedness (including any Additional Obligations); provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any Continuing Disclosure Agreement with respect to any Outstanding Obligations relating to annual financial information and operating data and the reporting of significant events; *provided* that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant document on EMMA; and

(H) Other Adverse Events: the occurrence of any other event or condition that could reasonably be expected to result in a Material Adverse Effect.

(ii) Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (C) (*Amendments*) or (F) (*Issuance of Indebtedness*)), the Borrower's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto; provided that the Borrower shall not be required to provide such information if and to the extent such information has been provided by the District. The Borrower shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(c) Requested Information. The Borrower shall, at any time while the WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or the Authority Revenues as the WIFIA Lender may from time to time reasonably request.

Section 20. Reporting Requirements of the District.

(a) Updated Financial Model. The District shall provide to the WIFIA Lender not later than one hundred eighty (180) days after the end of each District Fiscal Year, an Updated Financial Model demonstrating to the satisfaction of the WIFIA Lender that the District (i) has developed and identified adequate revenues to implement a plan for operating, maintaining and

repairing the Wastewater System and (ii) is, and is projected to remain, in compliance with the Rate Covenant for the current District Fiscal Year and a minimum of each of the immediately succeeding District Fiscal Years through the end of the Forecast Period. The Updated Financial Model must include the District's capital improvement plan, major maintenance plan, projected rates and charges, projected Net Revenues, projected debt outstanding and annual debt service, projected operation and maintenance costs of the Wastewater System. The delivery of any Updated Financial Model by the District to the WIFIA Lender shall constitute a representation and warranty by the District, as of the date of such delivery, that such Updated Financial Model, including the assumptions and supporting documentation, as of its date, is accurate and reasonable to the best of the District's knowledge and belief and reflects the District's reasonable expectations, using assumptions that the District believes to be reasonable, of the expected District operations.

(b) Annual Financial Statements. The District shall deliver to the WIFIA Lender, as soon as available, and within one hundred eighty (180) days after the end of each District Fiscal Year:

(i) a copy of the audited District Financial Statements as of the end of such District Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the District and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein); and

(ii) together with each delivery of such audited District Financial Statements, a certificate signed by the District's Authorized Representative, stating whether or not, to the District's knowledge, during the annual period covered by such District Financial Statements, there occurred any Default or Event of Default and, if any such Default or Event of Default shall have occurred during such period, the nature of such Default or Event of Default and the actions that the District has taken or intends to take in respect thereof.

provided, that the failure of the District to deliver to the WIFIA Lender the financial statements required by this Section 20(b) within such 180-day period shall not constitute a Default or an Event of Default so long as the District delivers such financial statements within one hundred twenty (120) days after the end of such period.

(c) Final Design Specifications. The District shall deliver to the WIFIA Lender, no later than thirty (30) days prior to any notice to proceed, the final designs, plans and specifications relating to the development and construction of the Project.

(d) Construction Reporting. The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Project, including environmental compliance, design, and construction of the Project. The District shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The District agrees to cooperate in good faith

with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information. During the period through Substantial Completion of the Project, the District shall furnish to the WIFIA Lender, on a quarterly basis, a report on the status of the Project, substantially in the form of **Exhibit J** (*Form of Quarterly Report*). The report shall be executed by the District's Authorized Representative and, for any quarter, shall be delivered to the WIFIA Lender within thirty (30) days of the following quarter (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date is a date later than the Projected Substantial Completion Date, the District shall provide in such report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay, an estimate of the impact of such delay on the capital and operating costs of the Wastewater System (if any), and a certification of the District's Authorized Representative that the new date could not reasonably be expected to result in a Material Adverse Effect.

(e) Public Benefits Report. The District shall deliver to the WIFIA Lender a report, in the form of **Exhibit K** (*Form of Public Benefits Report*) (the "**Public Benefits Report**"), (i) prior to the Effective Date, (ii) within ninety (90) days following the Substantial Completion Date and (iii) within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date. The District agrees that information described under this Section 20(e) may be made publicly available by the WIFIA Lender at its discretion.

(f) Modifications to Total Project Costs. For the period through the Substantial Completion Date, the District shall provide the WIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than ten percent (10%), which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Wastewater System. The District's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project, does not materially impair the WIFIA Lender's security or the ability of the Borrower to comply with its obligations under the Related Documents to which the Borrower is a party or the ability of the District to comply with its obligations under the Related Documents to which the District is a party (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(g) Operations and Maintenance. The WIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the WIFIA Lender may request from time to time, to receive reporting on the operation and management of the Project, and copies of any contracts relating to the operation and maintenance of the Project. The District agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation, or other information requested by the WIFIA Lender. The WIFIA Lender has the right, in its sole discretion, to retain such consultants or advisors, to carry out the provisions of this Section 20(g). On or prior to the Substantial Completion Date, the District shall deliver to the WIFIA Lender an operations and maintenance manual with respect to the Project, in form and substance reasonably acceptable to the WIFIA Lender.

(h) Notices.

(i) The District shall, within fifteen (15) days after it learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event (provided that the District shall not be obligated to provide such notice to the WIFIA Lender if notice of such event has already been provided to the WIFIA Lender by the Borrower):

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit I** (*Form of Certificate of Substantial Completion*);

(B) Defaults; Events of Default: any Default or Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the District before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the District in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the District that, in each case, could reasonably be expected to have a District Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the District that could reasonably be expected to have a District Material Adverse Effect, either individually or in the aggregate;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the District's plans to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation or material change in finding under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Amendments: except as otherwise agreed by the WIFIA Lender in writing, copies of fully executed amendments, modifications, replacements or supplements to any Related Document to which the District is a party within ten (10) days following execution thereof; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Related Document Defaults: any material breach or default or event of default on the part of the District or any other party under any Related Document to which the District is a party; provided that such notice can be

accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(H) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Project;

(I) Ratings Changes: any change in the rating assigned to the WIFIA Loan or any other Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations) by any Nationally Recognized Rating Agency that has provided a public rating on the WIFIA Loan or such Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations), and any notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(J) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the District to disclose information previously required to have been disclosed or due to the District or any of the District's principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(K) Additional Construction Contracts: copies of any executed Additional Construction Contracts (together with any related contracts, side letters or other understandings);

(L) Issuance of Obligations: copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the incurrence of any Additional Obligations (including any Variable Interest Rate Obligations); provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(M) Amendments to Policies: any material amendment or modification to the Investment Policy or the Debt Management Policy, along with a copy of such amendment or modification; and

(N) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty or any holder of any Obligations (or any indebtedness of the Borrower incurred in connection with the Obligations), that could reasonably be expected to result in a Material Adverse Effect or have a material and adverse effect on the Project.

(ii) Within thirty (30) calendar days after the District learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (A) (*Substantial Completion*), (F) (*Amendments*), (I) (*Ratings Changes*) (in the case of a ratings upgrade),

(K) (*Additional Construction Contracts*), (L) (*Issuance of Obligations*), or (M) (*Amendments to Policies*)), the District's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the District proposes to take with respect thereto. The District shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.

(i) Requested Information. The District shall, at any time while the WIFIA Loan remains outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the District or regarding the Wastewater System (including the Project), the WIFIA Debt Service Account or the Gross Revenues as the WIFIA Lender may from time to time reasonably request.

ARTICLE VI
EVENTS OF DEFAULT

Section 21. Events of Default and Remedies.

(a) A "**Borrower Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) Borrower Payment Default. The Borrower shall fail to pay when due any part of the principal amount of or interest on the WIFIA Loan (including WIFIA Debt Service required to have been paid pursuant to the provisions of Section 8 (*Payment of Principal and Interest*)), when and as the payment thereof shall be required under this Agreement or the WIFIA Note or on the Final Maturity Date (each such failure, a "**Borrower Payment Default**").

(ii) Borrower Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the WIFIA Note or any other WIFIA Loan Document to which the Borrower is a party (other than in the case of any Borrower Payment Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA Lender of written notice thereof or (B) the Borrower's knowledge of such failure; provided that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Borrower Event of Default shall be deemed to have occurred or be continuing under this Section 21(a)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Borrower Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to any WIFIA Loan Document to which the Borrower is a party (or in any certificates delivered by the Borrower in connection with any WIFIA Loan Document to which the Borrower is a party)

shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty or certification that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Borrower Event of Default shall be deemed to have occurred under this Section 21(a)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(h) (*Representations and Warranties of the Borrower – No Debarment*), Section 12(j) (*Representations and Warranties of the Borrower – Compliance with Laws*), or Section 12(t) (*Representations and Warranties of the Borrower – Patriot Act*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Borrower Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days after the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Acceleration of Obligations. Any acceleration shall occur of the maturity of any indebtedness of the Borrower incurred in connection with the Obligations of the District, or any such indebtedness of the Borrower shall not be paid by the Borrower in full upon the final maturity thereof.

(v) Borrower Material Adverse Judgment. Any final, non-appealable judgment related to the Authority Revenues shall be entered against the Borrower which has a Material Adverse Effect.

(vi) Occurrence of Borrower Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the Borrower.

(vii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document to which the Borrower is a party ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) this Agreement ceases to grant a valid and binding security interest on any material portion of the Authority Revenues, other than as a result of actions or a failure to act by, and within the control of, the WIFIA Lender; or (C) any event occurs that results in the material impairment in the priority of (1) the Borrower's security interest in the Gross Revenues or in the value of the Gross Revenues, (2) the WIFIA Lender's security interest in the Authority Revenues or in the value of the Authority Revenues or (3) the Borrower's security interest in the WIFIA Debt Service Account or the assignment to the WIFIA Lender of the Borrower's rights thereto.

(b) A "**District Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) District Payment Default. (A) The District shall fail to pay when due any part of any WIFIA Installment Payment required to have been paid pursuant to the provisions of the WIFIA Installment Purchase Agreement or (B) the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall fail to make any mandatory prepayment required pursuant to the provisions of Section 9 (*Prepayment*) (each such failure, an "**District Payment Default**").

(ii) District Covenant Default. The District shall fail to observe or perform any covenant, agreement or obligation of the District under this Agreement, the WIFIA Installment Purchase Agreement or any other WIFIA Loan Document to which the District is a party (other than in the case of any District Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the District from the WIFIA Lender of written notice thereof or (B) the District's knowledge of such failure; provided that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 21(b)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the District shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) District Misrepresentation Default. Any of the representations, warranties or certifications of the District made in or delivered pursuant to any WIFIA Loan Document to which the District is a party (or in any certificates delivered by the District in connection with any WIFIA Loan Document to which the District is a party) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty or certification that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no District Event of Default shall be deemed to have occurred under this Section 21(b)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 13(h) (*Representations and Warranties of the District – No Debarment*), Section 13(j) (*Representations and Warranties of the District – Compliance with Laws*), or Section 13(w) (*Representations and Warranties of the District – Patriot Act*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a District Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the District within thirty (30) days after the date on which the District first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Acceleration of Obligations. Any acceleration shall occur of the maturity of any Obligation of the District, or any such Obligation of the District shall not be paid by the District in full upon the final maturity thereof.

(v) Cross Default with Obligation Documents. Any default shall occur in respect of the performance of any covenant, agreement or obligation of the District under any Obligation Document relating to any Senior Obligation or any Subordinate Obligation (other than the obligations under the WIFIA Loan Documents), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in such Obligation Document relating to any Subordinate Obligation or any Senior Obligation (as the case may be) with respect to such default, and the District shall have failed to cure such default or to obtain an effective written waiver thereof in accordance with the terms thereof.

(vi) District Material Adverse Judgment. Any final, non-appealable judgment related to the Gross Revenues, the Wastewater System or the Project shall be entered against the District which has a Material Adverse Effect.

(vii) Occurrence of District Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the District.

(viii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document to which the District is a party ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the District contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; or (B) the WIFIA Installment Purchase Agreement ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the District Collateral, and with the priority purported to be created thereby.

(ix) Development Default. A Development Default shall occur.

(x) Cessation of Wastewater System Operations. Following the Substantial Completion Date, operation of the Wastewater System shall cease for a continuous period of not less than one hundred eighty (180) days unless (A) such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the District (and which the District could not reasonably have avoided or mitigated) or (B) the District shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the District is entitled to recover amounts sufficient to pay (and may use such amounts to pay), Debt Service for all Senior Obligations and Subordinate Debt Service for all Subordinate Obligations and costs and expenses of the District during such cessation of operations.

(c) Upon the occurrence of any Bankruptcy Related Event other than, solely with respect to clause (i), any Bankruptcy Related Event under clause (b)(iii) of the definition thereof, (i) all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated, and the Outstanding WIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note or the

other WIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived, and (ii) the lien provisions of Section 7(a) (*Security and Priority; Flow of Funds*) relating to a first priority security interest shall automatically be effective. Following the occurrence of a Bankruptcy Related Event, the WIFIA Lender shall have the right to inspect any and all records related to transfers of funds to and from the Revenue Fund, and the District shall deliver to the WIFIA Lender (or give the WIFIA Lender access to) any such records as the WIFIA Lender may request so as to permit the WIFIA Lender to ensure that the District is treating the WIFIA Installment Purchase Agreement (and the WIFIA Installment Payments) as a Senior Obligation in all respects, including in respect of priority of payments.

(d) Upon the acceleration of any amounts under the WIFIA Installment Purchase Agreement, all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated, and the Outstanding WIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note or the other WIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, further notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived, provided, that unless and until a Bankruptcy Related Event has occurred, the accelerated portion of the WIFIA Loan shall remain subject to the prior payment of Outstanding Senior Obligations and WIFIA Debt Service (excluding any such accelerated amounts) shall continue to be paid on each Payment Date following the payment of principal and interest then due and payable with respect to Senior Obligations.

(e) Upon the occurrence of any Event of Default, the WIFIA Lender, by written notice to the Borrower and the District, may exercise any or all of the following remedies:

(i) the WIFIA Lender may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan;

(ii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (*Interest Rate*);

(iii) the WIFIA Lender may suspend or debar the Borrower or the District (or both) from further participation in any Government program administered by the WIFIA Lender and notify other departments and agencies of such default;

(iv) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity against the Borrower for the collection of any sums due from the Borrower and unpaid hereunder or under the WIFIA Note or the other WIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under this

Agreement, the WIFIA Note or the other WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the WIFIA Note or the other WIFIA Loan Documents, including directing the Borrower to exercise any rights or remedies under the WIFIA Installment Purchase Agreement pursuant to Article VIII (*Events of Default and Remedies of the Authority*) thereto;

(v) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity against the District for the collection of any sums due from the District and unpaid hereunder or under the WIFIA Installment Purchase Agreement, and may prosecute any such judgment or final decree against the District and collect in the manner provided by law out of the property of the District the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the District under this Agreement or the WIFIA Installment Purchase Agreement then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the District under this Agreement or the WIFIA Installment Purchase Agreement; and

(vi) the WIFIA Lender may declare the unpaid principal amount of the WIFIA Note to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note and the other WIFIA Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived, provided, that unless and until a Bankruptcy Related Event has occurred, the accelerated portion of the WIFIA Loan shall remain subject to the prior payment of Outstanding Senior Obligations and WIFIA Debt Service (excluding any such accelerated amounts) shall continue to be paid on each Payment Date following the payment of principal and interest then due and payable with respect to Senior Obligations.

Following the delivery of any written notice to the Borrower and the District pursuant to this Section 21(e), the WIFIA Lender shall have the ongoing right to inspect any and all records related to transfers of funds to and from the Revenue Fund, and the District shall deliver to the WIFIA Lender (or give the WIFIA Lender access to) any such records as the WIFIA Lender may request so as to permit the WIFIA Lender to ensure that the District has appropriately paid amounts payable in respect of the WIFIA Loan (and the WIFIA Installment Payments), including in respect of priority of payments.

(f) Notwithstanding anything to the contrary set forth in any WIFIA Loan Document, the Borrower shall not have the right to (i) accelerate the WIFIA Installment Payments or (ii) exercise any other rights or remedies under the WIFIA Installment Purchase Agreement following the occurrence of an "Event of Default" under and as defined in the WIFIA Installment Purchase Agreement without the prior written direction of the WIFIA Lender.

(g) No action taken pursuant to this Section 21 shall relieve either the Borrower or the District from its obligations pursuant to this Agreement, the WIFIA Note or the other WIFIA Loan Documents, all of which shall survive any such action.

ARTICLE VII
MISCELLANEOUS

Section 22. Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement or the Wastewater System (including the Project) or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Agreement.

Section 23. No Personal Recourse. No official, employee or agent of the WIFIA Lender or either the Borrower or the District or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable on this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 24. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the District, the Government, or the WIFIA Lender, solely by virtue of the WIFIA Loan, and the Borrower and the District each agree to indemnify on a joint and several basis and hold the WIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless, to the extent permitted by law and in accordance with Section 37 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the WIFIA Loan, and that no third party creditor of either the Borrower or the District shall have any right against the WIFIA Lender with respect to the WIFIA Loan made pursuant to this Agreement.

Section 25. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 26. District's Authorized Representative. The District shall at all times have appointed a District's Authorized Representative by designating such Person or Persons from time to time to act on the District's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the District.

Section 27. WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 36 (*Notices*), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall

provide notice to the Borrower and the District within a reasonable time period following the succession.

Section 28. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Note. The WIFIA Lender shall give the Borrower and the District written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Note. The Borrower and the District shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder. Neither the Borrower nor the District shall be required to agree to any terms and conditions different from those set forth in this Agreement; provided, that any consent from the Borrower or the District to such changed terms or conditions shall not be unreasonably withheld, conditioned or delayed.

Section 29. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement shall in any event be effective without the prior written consent of each of the parties hereto.

Section 30. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 31. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 32. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the rights nor obligations of the Borrower hereunder nor any interest herein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender. Neither the rights nor obligations of the District hereunder nor any interest herein may be assigned or delegated by the District without the prior written consent of the WIFIA Lender.

Section 33. Remedies Not Exclusive. No remedy conferred herein or reserved to the WIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 34. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided hereunder upon a default of either the Borrower or the District (except a delay or omission pursuant to a written waiver) shall impair any such right or

remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

Section 35. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 36 (*Notices*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 36. Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to WIFIA Lender:	Environmental Protection Agency WJC-W 6201A 1200 Pennsylvania Avenue NW Washington, D.C. 20460 Attention: WIFIA Director Email: WIFIA_Portfolio@epa.gov
If to Borrower:	Union Sanitary District Financing Authority 5072 Benson Road Union City, CA 94587 Attention: Mark Carlson, Treasurer Email: markc@unionsanitary.ca.gov
If to District:	Union Sanitary District 5072 Benson Road Union City, CA 94587 Attention: Mark Carlson, CFO/Business Services Manager Email: markc@unionsanitary.ca.gov

Unless otherwise instructed by the WIFIA Lender's Authorized Representative, all notices to the WIFIA Lender should be made by email to the email address noted above for the WIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by the Borrower's Authorized Representative, with respect to notices to the Borrower, or by the District's Authorized Representative, with respect to notices to the District, or by the WIFIA Lender's Authorized Representative, with respect to notices to the WIFIA Lender or the Servicer. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized

courier service, when delivered at the address specified in this Section 36 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 36 (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day. Notwithstanding the foregoing, nothing in this Section 36 obligates the District to pay principal of or interest on the WIFIA Loan or the WIFIA Note.

Section 37. Indemnification. The Borrower and the District shall, to the extent permitted by law, indemnify on a joint and several basis the WIFIA Lender and any official, employee, agent, advisor or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the WIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower and the District shall each be entitled, at its expense, to participate in the defense thereof; provided that such Indemnitee has the right to retain its own counsel, at the expense of the Borrower or the District, as applicable, and such participation by the Borrower and/or the District in the defense thereof shall not release the Borrower or the District of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 37 is made shall be entitled, after consultation with the Borrower and the District and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower and the District for purposes of this Section 37. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, none of the Borrower, the District, or the WIFIA Lender shall assert, and the Borrower, the District, and the WIFIA Lender each hereby waives, any claim against any Indemnitee, the Borrower, or the District, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the WIFIA Loan or the use of the proceeds thereof, provided that nothing in this sentence shall limit the Borrower's or the District's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 37 shall be payable promptly upon demand therefor. The obligations of the Borrower and the District under

this Section 37 shall survive the payment or prepayment in full of the WIFIA Note pursuant to Section 8 (*Payment of Principal and Interest*) or Section 9 (*Prepayment*), the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 37) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower or the District hereunder or thereunder.

Section 38. Sale of WIFIA Loan. The WIFIA Lender shall not sell the WIFIA Loan at any time prior to the Substantial Completion Date. After such date, the WIFIA Lender may sell the WIFIA Loan to another entity or reoffer the WIFIA Loan into the capital markets only in accordance with the provisions of this Section 38. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA Lender shall not change the terms and conditions of the WIFIA Loan without the prior written consent of the Borrower and the District in accordance with Section 29 (*Amendments and Waivers*). The WIFIA Lender shall provide, at least sixty (60) days prior to any sale or reoffering of the WIFIA Loan, written notice to the Borrower and the District of the WIFIA Lender's intention to consummate such a sale or reoffering; provided that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 38 shall neither (x) obligate the WIFIA Lender to sell nor (y) provide either of the Borrower or the District with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell the WIFIA Loan. Neither the Borrower nor the District shall be required to agree to terms and conditions different from those set forth in this Agreement, provide or make any representation with respect to any information prepared in connection with such sale or reoffering or provide any opinions of Bond Counsel, or General Counsel of the District or of the Borrower in connection with such sale or reoffering; provided, that any consent from the Borrower or the District to such changed terms or conditions shall not be unreasonably withheld, conditioned or delayed.

Section 39. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 40. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided that the indemnification requirements of Section 37 (*Indemnification*), the reporting and record keeping requirements of Section 15(l) (*Affirmative Covenants of the Borrower – Access; Records*) and Section 17(p) (*Affirmative Covenants of the District – Access; Records*), and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 41. Integration. This Agreement, together with the other WIFIA Loan Documents, constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[*The remainder of this page intentionally left blank; signature pages immediately follow*.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

UNION SANITARY DISTRICT FINANCING AUTHORITY, by its authorized representative

By: _____
Name:
Title:

[*Signature Page to Union Sanitary District and Union Sanitary District Finance Authority - Enhanced Treatment and Site Upgrade Phase 1 Projects - WIFIA Loan Agreement*]

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

[*Signature Page to Union Sanitary District and Union Sanitary District Finance Authority - Enhanced Treatment and Site Upgrade Phase 1 Projects - WIFIA Loan Agreement*]

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the Environmental Protection Agency

By: _____
Name: Michael S. Regan
Title: Administrator

SCHEDULE I[4]

PROJECT BUDGET

SOURCES OF FUNDS	AMOUNT ($ USD)	PERCENTAGE (%)
WIFIA Loan	$249,660,876	49%
2021 Revenue Bonds	$80,000,000	16%
Future Bonds or SRF Loan	$151,239,807	30%
Previously Incurred Costs	$10,441,566	2%
Note Premium or Cash	$18,169,743	3%
Total Sources of Funds	$509,511,992	100%
USES OF FUNDS	**AMOUNT ($ USD)**	**PERCENTAGE (%)**
Construction	$393,345,265	77%
Design	$22,523,656	4%
Planning	$1,230,364	0%
Other	$64,608,803	13%
Contingency	$9,634,161	2%
Financing Costs	$18,169,743	4%
Total Uses of Funds	$509,511,992	100%
Total Eligible Project Costs	$509,511,992	100%
Total Project Costs	$509,511,992	100%

[4] **Note to Borrower**: Schedule I under review by EPA. The amounts included here correspond to the most recently provided project budget, but they have been rounded down to the nearest dollar to be consistent with the requested WIFIA Loan Amount and previous practice. Please confirm this approach works.

SCHEDULE II

CONSTRUCTION SCHEDULE

Project Schedule (please enter dates in MM/YYYY)				
Date and source of schedule information	wifia_application_-_section_e_FINAL_rev 08-23-21.xls Email from Curtis Bosick (10/19) with construction schedule update for Phase 1A			
Project Element	**Design Start**	**Design End**	**Construction Start**	**Construction End**
Phase 1A – Aeration Basins	07/2020	07/2021	01/2022	07/2025
Phase 1A – Campus Buildings	07/2020	10/2021	01/2022	12/2023
Phase 1B – Secondary Clarifier, Effluent Facilities	07/2020	10/2023	01/2024	03/2027
Phase 1C – Plant Equalization Storage	01/2024	01/2027	03/2027	07/2028

SCHEDULE III

EXISTING INDEBTEDNESS

A. Senior Obligations

#		[5]
1.	Installment Purchase Agreement, dated as of January 1, 2020, by and between the District and the Borrower relating to the Union Sanitary District Financing Authority Revenue Bonds, Series 2020A, originally issued in the aggregate principal amount of $64,160,000 on February 20, 2020	$59,295,000
2.	Installment Purchase Agreement, dated as of January 1, 2020, by and between the District and the Borrower, relating to the Union Sanitary District Financing Authority Revenue Bonds, Series 2021A, originally issued in the aggregate principal amount of $99,505,000 on August 12, 2021	$99,505,000

B. Subordinate Obligations

#		[6]
	None.	

[5] As of Effective Date

[6] As of Effective Date

SCHEDULE IV-A

WIFIA LOAN PAYMENT INSTRUCTIONS

HOW TO MAKE A LOAN PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours
Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

OPTION 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.

Access the Pay.gov system by going to **https://www.pay.gov** and search for WIFIA or click on the following hyperlink to directly launch the **WIFIA Loan Collection & Fees Form**.

Provide the following information on your payment to ensure proper credit:

- Remitter's contact phone number
- Company/Organization Name as it appears on EPA document
- Complete address, including city, state, zip code
- Project Name
- Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
- From the "Payment Type" drop down menu select "**Loan Payment**"

Follow the remaining on-screen instructions to successfully process the payment to EPA.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

OPTION 2 FEDWIRE

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

1. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
2. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	**1000**
{2000}	Amount	**$**
{3400}	Receiver ABA routing number *	**021030004**
{3400}	Receiver ABA short name	**TREAS NYC**
{3600}	Business Function Code	**CTR** *(or CTP)*
{4200}	Beneficiary Identifier (account number)	**868010099000**
{4200}	Beneficiary Name	**US EPA**
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	**FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)**
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

***** The financial institution address for Treasury's routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
US Environmental Protection Agency
Office of the Controller
Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

SCHEDULE IV-B

WIFIA FEE PAYMENT INSTRUCTIONS

HOW TO MAKE A FEE PAYMENT TO EPA WIFIA PROGRAM

Please select one of the acceptable payment methods and follow the instructions provided below for sending WIFIA payments to EPA.

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours
Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

ACCEPTABLE METHODS FOR WIFIA PAYMENTS TO EPA

OPTION 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

Remove Debit Block - Before submitting payments through Pay.gov, users should contact their financial institution to remove any debit blocks and add EPA to the list of payees. In addition, the financial institution will need to add EPA's company ID (6801123303) for WIFIA fees. Once the financial institution removes the debit block and sets up the company ID, users can set up Pay.gov to submit payments.

Access the Pay.gov system by going to **https://www.pay.gov** and search for WIFIA or click on the following hyperlink to directly launch the **WIFIA Loan Collection & Fees Form**.

Provide the following information on your payment to ensure proper credit:

- Remitter's contact phone number
- Company/Organization Name as it appears on EPA document
- Complete address, including city, state, zip code
- Project Name
- Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
- From the "Payment Type" drop down menu select the type from the Fee Notice letter

- Other Description: please note the reference number from the Fee Notice letter

Follow the remaining on-screen instructions to successfully process the payment to EPA.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

OPTION 2 CREDIT GATEWAY: FEDWIRE AND ACH

Depending on preferences, Credit Gateway allows users to submit payment either via FedWire (electronic interbank transfers) or ACH (direct deposit). The primary differences are:

	FedWire	ACH (Automated Clearing House)
Fees	Charges fees	Less expensive than FedWire
Transaction Speed	Faster transfers	May take up to a few days
Security	Less secure	More secure
International Capabilities	Can be sent internationally	U.S.-only network
Processing time	Within 24 hours	A few hours to several days

Users must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements. Banks that do not maintain an account at the Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account.

FEDWIRE

To process a payment using FedWire please:

3. Send FedWire deposits as early as possible and no later than 5PM ET on the desired EPA receipt date.
4. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.

Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

AUTOMATED CLEARING HOUSE (ACH)

To process payments using ACH please:

1. Send ACH payments as early as possible and no later than 3 business days before the desired EPA receipt date.
2. Review the ACH form Instructions provided in Attachment 2 and complete the form. It is important that all relevant details identified in the instructions are accurate.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that the payment has been made.

OPTION 3 CHECK PAYMENTS

UNAVAILABLE DUE TO COVID19 PANDEMIC. EPA CANNOT PROCESS CHECKS AT THIS TIME.

Attachment 1 – FedWire Payment Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the United States Environmental Protection Agency.

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	**1000**
{2000}	Amount	
{3400}	Receiver ABA routing number *	**021030004**
{3400}	Receiver ABA short name	**TREAS NYC**
{3600}	Business Function Code	**CTR** *(or CTP)*
{4200}	Beneficiary Identifier (account number)	**868010099000**
{4200}	Beneficiary Name	**US EPA**
{5000}	Originator	
{6000}	Originator to Beneficiary Information – Line 1	**FEE TYPE – WIFIA Application Fee (WIFIA Loan Number)**
{6000}	Originator to Beneficiary Information – Line 2	
{6000}	Originator to Beneficiary Information – Line 3	
{6000}	Originator to Beneficiary Information – Line 4	

***** The financial institution address for Treasury's routing number is 33 Liberty Street, New York, NY 10045

Agency Contact:

Collections Inquiry Mailbox
US Environmental Protection Agency
Office of the Controller
Fees and Collections Branch
Collections_Inquiry_Mailbox@epa.gov

Attachment 2 - ACH Credit Gateway Form and Instructions

Please provide the following instructions to your Financial Institution for the remittance of Automated Clearing House (ACH) credits to the United States Environmental Protection Agency.

NACHA Record Type Code	NACHA Field	NACHA Data Element Name	Required Information
5	3	Company Name	
5	6	Standard Entry Class Code	**CCD**
5	9	Effective Entry Date	
6	2	Transaction Code*	**22**
6	3 & 4	Receiving DFI Identification (ABA routing #) @	**051036706**
6	5	DFI Account Number	**868010099000**
6	6	Amount	*(enter payment amount)*
6	8	Receiving Company Name	**US EPA** **FEE TYPE – WIFIA (Loan Number-Fee Type)**

ACH bank information:
Name: Credit Gateway – ACH Receiver
Address: 33 Livingston Ave. St. Paul, MN 55107
Phone number: 1-877-815-1206

Agency Contact:

Collections Inquiry Mailbox
Fees and Collections Branch
Office of the Controller
US Environmental Protection Agency
Collections_Inquiry_Mailbox@epa.gov

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
United States Environmental Protection Agency

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☑ Other (see instructions) ▶ Federal Agency

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1300 Pennsylvania Ave NW, Mail Code 2733R

Requester's name and address (optional)

6 City, state, and ZIP code
Washington, DC 20004-3002

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number
☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number
5 2 – 0 8 5 2 6 9 5

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ Date ▶ 12/17/19

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

Cat. No. 10231X Form **W-9** (Rev. 10-2018)

Schedule IV-B-5

SCHEDULE 13(m)

CONSTRUCTION CONTRACTS

A. Existing Construction Contracts

Contract	Date	Parties	Description
None	-	-	-

B. Additional Construction Contracts[7]

Contract	Expected Effective Date (if known)	Parties	Description
-	-	-	-

[7] **Note to the District:** To be completed by the District.

EXHIBIT A

FORM OF WIFIA NOTE

UNION SANITARY DISTRICT FINANCING AUTHORITY

ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS

(WIFIA – N20104CA)

WIFIA NOTE

Maximum Principal Amount: [$249,660,876] (excluding capitalized interest)

Interest Rate	Bond Date	CUSIP
[___]%	[_____], 2021	90811Q

Final Maturity Date

The earlier of (a) March 1, 2063, or such earlier date as is set forth in an updated Exhibit F to the WIFIA Loan Agreement (as defined below) pursuant to Section 8(d) of the WIFIA Loan Agreement; and (b) the Payment Date (as defined in the WIFIA Loan Agreement) immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date (as defined in the WIFIA Loan Agreement).

UNION SANITARY DISTRICT FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "**Borrower**"), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the "**WIFIA Lender**"), the aggregate of all disbursements up to a maximum aggregate principal amount of [$249,660,876] (excluding capitalized interest) made by the WIFIA Lender pursuant to the WIFIA Loan Agreement (as defined below) (the "**Disbursements**" and such amount *minus* the aggregate principal amount thereof repaid by the Borrower, as determined in accordance with **Exhibit F** (*WIFIA Debt Service*) to the WIFIA Loan Agreement, being hereinafter referred to as the "**Outstanding Principal Sum**"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA Loan Agreement in accordance with

Exhibit F (*WIFIA Debt Service*) to the WIFIA Loan Agreement, as revised from time to time in accordance with the WIFIA Loan Agreement, until paid in full (which **Exhibit F**, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Note). The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F** to the WIFIA Loan Agreement from time to time in accordance with the terms of the WIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document.

The interest rate on this WIFIA Note shall be [___] and [____] hundredths percent ([____]%) per annum. Interest will accrue and be computed on the Outstanding Principal Sum (as well as on any past due interest) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding Principal Sum at the Default Rate (as defined in the WIFIA Loan Agreement to be an interest rate equal to the sum of (a) the WIFIA Interest Rate set forth above *plus* (b) 200 basis points) in accordance with Section 6 (*Interest Rate*) of the WIFIA Loan Agreement.

Payments hereon are to be made in accordance with Section 8(c) (*Payment of Principal and Interest – Manner of Payment*) and Section 36 (*Notices*) of the WIFIA Loan Agreement as the same become due. Principal of and interest on this WIFIA Note shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts.

This WIFIA Note has been executed under and pursuant to Resolution No. [___], adopted by the Borrower on [____], 2021 and that certain WIFIA Loan Agreement, dated as of the date hereof, among the WIFIA Lender, the Borrower and the District (the "**WIFIA Loan Agreement**") and is issued to evidence the obligation of the Borrower under the WIFIA Loan Agreement to repay the loan made by the WIFIA Lender and any other payments of any kind required to be paid by the Borrower under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for all details relating to the Borrower's obligations hereunder. All capitalized terms used in this WIFIA Note and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

This WIFIA Note may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA Loan Agreement; provided such prepayments shall be in principal amounts of $500,000 or any integral multiple of $1 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of the WIFIA Note in accordance with the WIFIA Loan Agreement.

This WIFIA Note shall be subject to acceleration on the terms and conditions set forth in the WIFIA Loan Agreement.

Payment of the obligations of the Borrower under this WIFIA Note is secured by and payable from the Authority Revenues pledged under the WIFIA Loan Agreement.

This WIFIA Note is a limited obligation of the Borrower, payable solely from the Authority Revenues, and does not constitute a debt of the members of the Borrower, the State or any of its political subdivisions (including the District), except the Borrower. Notwithstanding anything to the contrary set forth in this WIFIA Note, the District is not a borrower with respect to this WIFIA Note and the District has no obligation to make any payment or provision for payment of this WIFIA Note. This WIFIA Note does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

Any delay on the part of the WIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

It is hereby certified that all acts, conditions and things required by the Constitution and laws of the State of California and the Organizational Documents of the District and the Borrower to exist and have happened, been done, and been performed precedent to and in the issuance of this WIFIA Note exist and have happened, been done and been performed as so required and that the issuance of this WIFIA Note does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the Borrower may incur. This WIFIA Note is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, UNION SANITARY DISTRICT FINANCING AUTHORITY has caused this WIFIA Note to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

UNION SANITARY DISTRICT FINANCING AUTHORITY,
by its authorized representative

(SEAL)

By _____

Name:_____
Title:_____

ATTEST:

_____

Secretary

EXHIBIT B

ANTICIPATED WIFIA LOAN DISBURSEMENT SCHEDULE

Federal Fiscal Year	Amount
2028	$249,660,876

EXHIBIT C

FORM OF NON-DEBARMENT CERTIFICATE

The undersigned, on behalf of [UNION SANITARY DISTRICT FINANCING AUTHORITY (the "Borrower")] [UNION SANITARY DISTRICT (the "District")], hereby certifies that the [Borrower] [District] has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the [Borrower] [District] and each of the [Borrower's] [District's] principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995):

(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 the Effective Date 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 the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among the [Borrower] [District], [Union Sanitary District] [Union Sanitary District Financing Authority] and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

Dated: [_____], 2021

[UNION SANITARY DISTRICT FINANCING AUTHORITY] [UNION SANITARY DISTRICT], by its authorized representative

By: _____
Name:
Title:

EXHIBIT D-1

REQUISITION PROCEDURES

This **Exhibit D-1** sets out the procedures which the Borrower and the District agree to follow in submitting Requisitions for the disbursement of WIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the WIFIA Lender may reject or correct Requisitions submitted by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, or withhold a disbursement. The Borrower and the District expressly agree to the terms hereof, and further agree that (i) the rights of the WIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the WIFIA Lender under the WIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the WIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower or the District if it fails to carry out its obligations under the WIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, for the disbursement of WIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the WIFIA Lender and the Servicer (if any), in accordance with Section 36 (*Notices*) of the WIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the WIFIA Lender and completed and executed by the District's Authorized Representative. The form of Requisition is attached as **Appendix One** (*Form of Requisition*) to this **Exhibit D-1**. Any disbursement request shall be accompanied by a certificate completed and executed by the Borrower's Authorized Representative in the form of **Appendix Two** (*Form of Borrower Disbursement Certificate*) to this **Exhibit D-1**.

Supporting documentation should be submitted with the Requisition. If the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, anticipates that it will draw down all or a portion of the proceeds of the WIFIA Loan to reimburse the Borrower or the District for Eligible Project Costs paid by or on behalf of the Borrower or the District prior to such disbursement of WIFIA Loan proceeds, whether paid from funds of the Borrower or the District or from proceeds of Obligations issued by the District, including for the purpose of paying or redeeming such Obligations, the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, shall deliver appropriate documentation, including invoices and records, evidencing such incurred or paid Eligible Project Costs (the "**Eligible Project Costs Documentation**"). Each time the District delivers Eligible Project Costs Documentation to the WIFIA Lender, and the Servicer (if any), the District shall also deliver to such entities a certificate, substantially in the form of **Exhibit D-2** (*Certification of Eligible Project Costs Documentation*) and duly executed by the District's Authorized Representative. The Eligible Project Costs Documentation must provide sufficient detail to enable the WIFIA Lender to verify that such costs are Eligible Project Costs paid by the Borrower or the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, in connection with the reimbursement of such Eligible Project Costs or for the purpose of paying or redeeming, in whole or part, the portion of any Interim Financing in respect of which the proceeds were used to pay such documented Eligible

Project Costs. The WIFIA Lender shall review the Eligible Project Costs Documentation for compliance with WIFIA disbursement requirements, and any amounts approved by the WIFIA Lender as Eligible Project Costs will be disbursed at such time as the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, submits a Requisition in respect of such approved amounts.

The WIFIA Lender agrees to promptly send to the District in accordance with Section 36 (*Notices*) of the WIFIA Loan Agreement, an acknowledgement of receipt of each Requisition in the form attached as **Appendix Three** (*[Approval/Disapproval] of the WIFIA Lender*) to this **Exhibit D-1** setting forth the date of receipt by the WIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the WIFIA Lender. All disbursement requests must be received by the WIFIA Lender at or before 5:00 P.M. (EST) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the WIFIA Lender, the WIFIA Lender will notify the District of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (a) submitted without signature; (b) submitted under signature of a Person other than the District's Authorized Representative; (c) submitted after prior disbursement of all proceeds of the WIFIA Loan; (d) submitted without adequate Eligible Project Costs Documentation, including (i) copies of invoices and records evidencing the Eligible Project Costs, (ii) a summary of the progress of construction of the Project and a general description of the work done for which the funds being requisitioned are being applied (or a certification that no change has occurred since the date of the latest quarterly report provided pursuant to Section 20(d) (*Reporting Requirements of the District – Construction Reporting*)), and (iii) a copy of the most recent update to the District's risk register, if requested by the WIFIA Lender.

The WIFIA Lender will notify the District of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified above (other than Section 2(c)) must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the WIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the WIFIA Lender will so notify the District.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the WIFIA Lender, after telephonic or email notification to the District, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The WIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of WIFIA Loan proceeds if: (a) a Default or an Event of Default shall have occurred and be continuing; or (b) either the Borrower or the District (i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable law, in connection with the transactions contemplated hereby; (ii) prevents or materially impairs the ability of the WIFIA Lender to monitor compliance by either the Borrower or the District with applicable law pertaining to the Project or with the terms and conditions of the WIFIA Loan Agreement; (iii) fails to observe or

comply with any applicable law, or any term or condition of the WIFIA Loan Agreement; (iv) fails to satisfy the conditions set forth in Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement; or (v) fails to deliver Eligible Project Costs Documentation satisfactory to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement; provided that in such case of Section 4(b)(v), the WIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

APPENDIX ONE TO EXHIBIT D-1

FORM OF REQUISITION

United States Environmental Protection Agency[8]
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the UNION SANITARY DISTRICT (the "**District**"), the UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, hereby requests disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement,. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

A. In connection with this Requisition the undersigned, as the District's Authorized Representative, hereby represents and certifies the following:

1.	**Project name**	Enhanced Treatment and Site Upgrade Phase 1 Projects
2.	**Borrower name**	Union Sanitary District Financing Authority

[8] If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.

3.	**WIFIA reference number**	N20104CA
4.	**Requisition number**	[___]
5.	**Requested disbursement amount**	$[___]
6.	**Requested disbursement date (the "Disbursement Date")**	[___]
7.	**Total amounts previously disbursed under the WIFIA Loan Agreement**	$[___]
8.	**Wire instructions**	[___]

1. The amounts hereby requisitioned have been paid or incurred and approved for payment by or on behalf of the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from WIFIA Loan proceeds. No portion of the amounts requisitioned will be applied to pay for Eligible Project Costs that have been previously paid, or are expected to be paid, with proceeds of any Interim Financing [.][, except as set forth below:

Source of Interim Financing	Amount of Interim Financing
[___]	$[___]
Total Amount of Interim Financing	$[___]

The portion of the amount requisitioned equal to the total amount of the Interim Financing set forth above will be promptly applied by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to either (i) discharge a like principal amount of such Interim Financing or (ii) reimburse the applicable fund or account from which the proceeds of such Interim Financing were spent.][9]

[9] This alternative should be included when requisitioned amounts are for the purpose of paying or redeeming, in whole or in part, amounts owed by the District under an Interim Financing the proceeds of which were applied to pay Eligible Project Costs.

2. The aggregate amount of all disbursements of the WIFIA Loan (including the amount requested under this Requisition) does not exceed (a) the maximum principal amount of the WIFIA Loan, (b) the amount of Eligible Project Costs paid or incurred by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, and (c) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule.

3. The Borrower and the District has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs.

4. The total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs.

5. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval has been issued and is in full force and effect (and is not subject to any notice of violation, breach or revocation).

6. Each of the insurance policies maintained by the District pursuant to Section 17(f) (*Affirmative Covenants of the District – Insurance*) of the WIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

7. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), (i) no Default or Event of Default and (ii) no event of default under any other Related Document to which the District is a party, and no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document, in each case, has occurred and is continuing. No District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred since April 30, 2021.

8. The District, and each of the contractors and subcontractors at all tiers with respect to the Project, have complied with all applicable laws, rules, regulations and requirements, including 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.

9. The representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date).

10. Each Related Document that has been delivered by the District to the WIFIA Lender pursuant to Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) is complete, fully executed and in full force and effect.

11. The current estimated percentage of physical completion of the Project is [___]%. The District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, is in compliance with Section 19(c) (*Reporting Requirements of the District – Construction Reporting*) and no change has occurred since the date of the most recently delivered quarterly construction progress report that could reasonably be expected to cause a Material Adverse Effect.[10]

12. All documentation evidencing the Eligible Project Costs to be reimbursed to the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, [or to be used to pay Eligible Project Costs previously paid from proceeds of any Interim Financing] by the above-requested disbursement has been delivered by the District, as agent of the Borrower pursuant to the WIFIA Installment Purchase Agreement, to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement, including the details set forth [in the attachment hereto, which is in form satisfactory to the WIFIA Lender][below:]

	WIFIA USE ONLY

[10] The most recent quarterly progress report should set out a summary of the progress of construction of the Project, as well as a general description of the work done for which the funds being requisitioned are being applied and a summary of any material changes/risks. If not, PM should request additional information (including a risk register, if applicable).

Vendor or Contractor Name[11]	Invoice Number[12]	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount[13]	Activity Type[14]	Description of Activity[15]	Approved Amount	Notes

The undersigned acknowledges that if the District makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the District the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

UNION SANITARY DISTRICT,
By its authorized representative

By: _____
Name:
Title:

---

[11] If seeking reimbursement for internal costs, enter "Internally financed activities."

[12] Vendor's number indicated on the invoice sent to the District.

[13] If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

[14] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

[15] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

UNION SANITARY DISTRICT FINANCING AUTHORITY,
By its authorized representative

By: _____
Name:
Title:

Exhibit D-1-9

APPENDIX TWO TO EXHIBIT D-1

FORM OF BORROWER'S DISBURSEMENT CERTIFICATE

United States Environmental Protection Agency
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: ENHANCED TREATMENT AND SITE UPGRADE PHASE 1 PROJECTS (WIFIA Ref N20104CA)

Ladies and Gentlemen:

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**"), UNION SANITARY DISTRICT (the "**District**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"). Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

Pursuant to Section 11(b)(v) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement, the undersigned, as the Borrower's Authorized Representative, hereby represents and certifies the following:

1. As of the date hereof and on the requested disbursement date (immediately after giving effect to the requested disbursement of WIFIA Loan proceeds), (a) no Default or Event of Default, and no event of default under any other Related Document to which the Borrower is a party and (b) no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document to which the Borrower is a party, in each case, has occurred and is continuing.

2. No Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since the Effective Date.

3. The Borrower has complied with all applicable laws, rules, regulations and requirements.

4. The representations and warranties of the Borrower set forth in the WIFIA Loan Agreement (including Section 12 (*Representations and Warranties of the Borrower*)) and in each other WIFIA Loan Document to which the Borrower is a party are true and correct as of the date hereof and as of the requested disbursement date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

UNION SANITARY DISTRICT FINANCING AUTHORITY,
By its authorized representative
By: _____
Name:
Title:_____

APPENDIX THREE TO EXHIBIT D-1

[APPROVAL/DISAPPROVAL] OF THE WIFIA LENDER
(To be delivered to the District)

Requisition Number [_____] is [approved in the amount of $[_____]] [approved in part in the amount of $[_____]] [not approved, for the reasons set forth in Annex A attached hereto,][16] by the WIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021, by and among the Union Sanitary District (the "**District**"), the Union Sanitary District Financing Authority (the "**Borrower**") and the United States Environmental Protection Agency, acting by and through the Administrator of the United States Environmental Protection Agency (the "**WIFIA Lender**").

Any determination, action or failure to act by the WIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the WIFIA Lender's sole discretion, and in no event shall the WIFIA Lender be responsible for or liable to the Borrower or the District for any and/or all consequence(s) which are the result thereof.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator

By: _____
WIFIA Lender's Authorized Representative
Name:
Title:
Dated:

[16] If there is any partial or full denial of approval, the WIFIA Lender should provide a separate attachment setting forth the reasons for such partial or full denial of approval.

EXHIBIT D-2

CERTIFICATION OF ELIGIBLE PROJECT COSTS DOCUMENTATION

[Date]

United States Environmental Protection Agency
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions; Quarterly Approval of Eligible Project Costs*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the UNION SANITARY DISTRICT ("the **District**"), the UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**") and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the "**WIFIA Lender**"), we hereby present this certificate in connection with the District's delivery of Eligible Project Costs Documentation to the WIFIA Lender. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

The undersigned does hereby represent and certify the following:

1. This certificate is being delivered to the WIFIA Lender in connection with the Eligible Project Costs Documentation and is applicable to the period between [_____] and [_____].

2. Documentation evidencing the Eligible Project Costs to be reimbursed to the District is set forth [in the attachment hereto, which is in form satisfactory to the WIFIA Lender][below:]

							WIFIA USE ONLY	
Vendor or Contractor Name[17]	**Invoice Number[18]**	**Invoice Date**	**Payment Date**	**Invoice Amount**	**Activity Type[19]**	**Description of Activity[20]**	**Approved Amount**	**Notes**

3. The sources of funding for such Eligible Project Costs are [listed below / set forth in Exhibit [__] to this certificate].

4. [The funds for which reimbursement will be sought were expended solely in connection with the payment or reimbursement of Eligible Project Costs.]

Date: _____

UNION SANITARY DISTRICT [21]

By: _____
Name:
Title:_____

[17] If seeking reimbursement for internal costs, enter "Internally financed activities."

[18] Vendor's number indicated on the invoice sent to the District.

[19] Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the "Description of Activity" column.

[20] Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the documentation.

[21] To be executed by the District's Authorized Representative.

EXHIBIT E

FORM OF NON-LOBBYING CERTIFICATE

The undersigned, on behalf of [UNION SANITARY DISTRICT FINANCING AUTHORITY (the "**Borrower**")] [UNION SANITARY DISTRICT (the "**District**")], hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the [Borrower] [District], to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of the WIFIA Loan.

(b) If any funds other than proceeds of the WIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the WIFIA Loan, the [Borrower] [District] shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The [Borrower] [District] shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among the [Borrower] [District], [Union Sanitary District] [Union Sanitary District Financing Authority] and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

This certification is a material representation of fact upon which reliance was placed when the WIFIA Lender entered into the WIFIA Loan Agreement. Submission of this certification is a prerequisite to the effectiveness of the WIFIA Loan Agreement imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Dated: [_____], 2021

[UNION SANITARY DISTRICT FINANCING AUTHORITY] [UNION SANITARY DISTRICT], by its authorized representative

By: _____
Name:
Title:

EXHIBIT F

WIFIA DEBT SERVICE[22]

[See attached]

[22] **Note to Draft:** WIFIA Underwriting to work with the District to provide an initial amortization schedule and installment payment schedule. Exhibit F to be finalized on the day of closing to account for the final interest rate.

EXHIBIT G-1

OPINIONS REQUIRED FROM COUNSEL TO THE BORROWER

An opinion of the counsel of the Borrower, dated as of the Effective Date, to the effect that:

1. The Borrower has been duly created and validly exists as a joint exercise of powers agency under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

2. The Borrower has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under, the Related Documents to which it is a party.

3. The execution and delivery by the Borrower of, and the performance of its respective obligations under, the Related Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action.

4. The Borrower has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms.

5. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the Borrower for the execution and delivery by the Borrower of, and the performance of the Borrower under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower.

6. The execution and delivery by the Borrower of, and compliance by the Borrower with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Joint Powers Agreement, (ii) violate the law of the United States of America or of the State, or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to us to which the Borrower is a party, or to the best of our knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower is subject.

7. To our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Wastewater System (including the Project) that are pending.

8. The Borrower is not entitled to claim governmental immunity in any breach of contract action under the WIFIA Borrower Documents.

9. The Borrower has duly and validly adopted the WIFIA Borrower Resolution at a meeting of the Board of Directors of the District on [_____], 2021, which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present

and acting throughout and the WIFIA Borrower Resolution is in full force and effect as of the date hereof and has not been modified, amended or rescinded;

EXHIBIT G-2

OPINIONS REQUIRED FROM THE BORROWER'S BOND COUNSEL

An opinion of bond counsel to the Borrower, dated as of the Effective Date, in substantially the follow form:

[_____]

United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: *Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)*

Ladies and Gentlemen:

We have acted as Special Counsel to the Union Sanitary District Financing Authority (the "Borrower") in connection with the execution and delivery, or adoption, by the Borrower of (i) that certain WIFIA Installment Purchase Agreement, dated as of [_____] (the "WIFIA IPA"), by and between the Borrower and the Union Sanitary District (the "District"), (ii) the WIFIA Loan Agreement, dated as of [_____] (the "WIFIA Loan Agreement"), by and among the Borrower, the District and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"), (iii) that certain WIFIA Note, dated as [_____] (the "WIFIA Note" and, collectively with the WIFIA IPA and the WIFIA Loan Agreement, the "WIFIA Borrower Documents"), delivered to the WIFIA Lender by the Borrower, and (iv) Resolution No. 2939, adopted by the Board of Directors of the Borrower on November 8, 2021 (the "WIFIA Borrower Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the WIFIA Loan Agreement.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

1. The Borrower has all requisite power and authority under the laws of the State, including but not limited to Article 4 of the Joint Exercise of Powers Act of the State, to adopt the WIFIA Borrower Resolution, to execute and deliver the WIFIA Borrower Documents and to issue the WIFIA Note, and each WIFIA Borrower Document and the WIFIA Resolution has been duly authorized, executed and delivered by the Borrower, and each WIFIA Borrower Document and the WIFIA Borrower Resolution is in full force and effect, and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms and conditions.

2. (a) The WIFIA Loan (as evidenced by the WIFIA Note) is secured by the Liens on the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an

event of default thereunder, and (b) the WIFIA Loan (as evidenced by the WIFIA Note) is enforceable under the laws of the State without any further action by the Borrower or any other Person.

3. The WIFIA Loan Agreement creates a valid and binding pledge of and lien on the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an event of default thereunder to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Loan in accordance with the WIFIA Loan Agreement, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

4. All actions by the Borrower that are required for the application of the Authority Revenues as required under the WIFIA Loan Agreement have been duly and lawfully authorized.

5. The Borrower has complied with the requirements of State law to lawfully pledge the Authority Revenues, all of the Borrower's right, title and interest in the WIFIA Debt Service Account and all of the Borrower's rights and remedies to enforce the WIFIA IPA upon an event of default thereunder and to authorize the use of the Authority Revenues as required by the terms of the WIFIA Loan Agreement.

6. The Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted after the date hereof or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon, without independent verification, the accuracy of the factual matters represented, warranted or certified in such documents.

This opinion is limited to matters governed by the laws of California and the United States of America, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the WIFIA Borrower Documents and the WIFIA Borrower Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the WIFIA Borrower Documents, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets, other than the Authority Revenues, the WIFIA Debt Service Account and the WIFIA Borrower Documents, or the accuracy or sufficiency of the description of such assets, other than the Authority Revenues, the WIFIA Debt Service Account and the WIFIA Borrower Documents, or the remedies available to enforce liens on any such assets, other than the Authority Revenues and the WIFIA Debt Service Account under the WIFIA Borrower Documents. Our services as Special Counsel to the Borrower did not involve the rendering of financial or other non-legal advice to you, the Borrower, the District or any other party to the transaction.

This letter is furnished by us to you solely for your benefit and we are not assuming any professional responsibility to any other person whomsoever. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, and (b) that this opinion may be included in applicable closing transcript. We note that you have been represented by separate counsel retained by you in connection with the transaction described herein. No attorney-client relationship has existed or exists between our firm and you in connection with the WIFIA Borrower Documents or the WIFIA Borrower Resolution or by virtue of this letter.

Respectfully submitted,

EXHIBIT G-3

OPINIONS REQUIRED FROM COUNSEL TO THE DISTRICT

An opinion of the counsel of the District, dated as of the Effective Date, to the effect that:

1. The District is a sanitary district duly organized and validly existing under the Constitution and the laws of the State of California.

2. The District has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under, the WIFIA District Documents and the Construction Contracts.

3. The execution and delivery by the District of, and the performance of its obligations under, the WIFIA District Documents and the Construction Contracts have been duly authorized by all necessary organizational or regulatory action.

4. The District has duly executed and delivered each WIFIA District Document and each Construction Contract, and each such WIFIA District Document and each such Existing Construction Contract constitutes the legal, valid and binding obligation of the District, enforceable against the District in accordance with its respective terms.

5. No authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the District for the execution and delivery by the District of, and the performance of the District under, the WIFIA District Documents and the Construction Contracts other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the District.

6. The execution and delivery by the District of, and compliance by the District with the provisions of, the WIFIA District Documents and the Construction Contracts in each case do not (i) violate the law of the United States of America or of the State, (ii) violate any ordinance, regulation or other legislative action of the District or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to us to which the District is a party, or to the best of our knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the District is subject.

7. To our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the District by or before any court, arbitrator or any other Governmental Authority in connection with the WIFIA District Documents, the Existing Construction Contracts or the Wastewater System (including the Project) that are pending.

8. The District is not entitled to claim governmental immunity under the California Government Claims Act or any other law of the State, or under any ordinance, regulation or other legislative action of the District in any breach of contract action under the WIFIA District Documents. 9. The District has duly and validly adopted the WIFIA District Resolution at a meeting of the Board of Directors of the District on [_____], 2021, which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present

and acting throughout and the WIFIA District Resolution is in full force and effect as of the date hereof and has not been modified, amended or rescinded.

EXHIBIT G-4

OPINIONS REQUIRED FROM THE DISTRICT'S BOND COUNSEL

An opinion of the bond counsel to the District, dated as of the Effective Date, in substantially the following form:

[_____]

United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Ladies and Gentlemen:

We have acted as Special Counsel to the Union Sanitary District (the "District") in connection with the execution and delivery, or adoption, by the District of (i) that certain WIFIA Installment Purchase Agreement, dated as of [_____] (the "WIFIA IPA"), by and between the District and the Union Sanitary District Financing Authority (the "Borrower"), (ii) that certain WIFIA Loan Agreement, dated as of [_____] (the "WIFIA Loan Agreement" and collectively with the WIFIA IPA, the "WIFIA District Documents"), by and among the District, the Borrower and the United States Environmental Protection District, acting by and through the Administrator of the Environmental Protection District, and (iii) Resolution No. 2940 of the Board of Directors of the District, adopted on November 8, 2021 (the "WIFIA District Resolution"), in each case relating to the Enhanced Treatment and Site Upgrade Phase 1 Projects. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the WIFIA Loan Agreement.

Based upon the foregoing and our review of such other information, documents and matters of law as we considered necessary and in reliance on the foregoing, as appropriate, we are of the opinion that:

1. The District has all requisite power and authority under the laws of the State, including the Sanitary District Act of 1923, set forth at Division 6 of the California Health and Safety Code, as amended and supplemented from time to time, to adopt the WIFIA District Resolution and to execute and deliver the WIFIA District Documents. Each WIFIA District Document has been duly authorized, executed and delivered by the District, and each WIFIA District Document and the WIFIA District Resolution is in full force and effect and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its respective terms and conditions.

2. The WIFIA Installment Payments (a) are secured by liens on the District Collateral, (b) are payable from Net Revenues on a subordinate basis to Senior Obligations, (c) are Subordinate Obligations entitled to the benefits applicable to Obligations identified as such under

the WIFIA District Documents and the other Obligation Documents, (d) are enforceable under the laws of the State without any further action by the District or any other Person, and (e) rank subordinate in right of payment and right of security only to the Senior Obligations *pari passu* in right of payment and right of security with all other Subordinate Obligations that are on a *pari passu* basis with the WIFIA Installment Payments; provided, however, upon a Bankruptcy Related Event, the WIFIA Installment Payments shall be payable in accordance with the WIFIA District Documents on a parity with all Senior Obligations.

3. The WIFIA IPA creates a valid and binding assignment of the Gross Revenues and pledge of and lien on the District Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Installment Payments, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

4. All actions by the District that are required for the application of the Gross Revenues as required under the WIFIA IPA have been duly and lawfully authorized.

5. The District has complied with the requirements of State law to lawfully pledge the District Collateral and to authorize the use of the Net Revenues as required by the terms of the WIFIA IPA.

6. The District is not an investment company required to register under the Investment Company Act of 1940, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform you or any other person, whether any such actions are taken or omitted after the date hereof or whether such events do occur or any other matters come to our attention after the date hereof. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon, without independent verification, the accuracy of the factual matters represented, warranted or certified in such documents.

This opinion is limited to matters governed by the laws of the State and the laws of the United States of America, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the WIFIA District Documents and the WIFIA District Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

By delivering this letter, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the WIFIA District Documents, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets, other than the District Collateral, described in or as subject to the lien of the WIFIA District Documents, or the accuracy or sufficiency of the description of such assets, other than the District Collateral, or the remedies available to enforce liens on any such assets, other than the District Collateral under the WIFIA District Documents. Our services as Special Counsel to the District did not involve the rendering of financial or other non-legal advice to you, the District, the Borrower or any other party to the transaction.

This letter is furnished by us to you solely for your benefit and we are not assuming any professional responsibility to any other person whomsoever. This letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, except (a) to the extent disclosure of this opinion is required pursuant to applicable law, and (b) that this opinion may be included in applicable closing transcript. We note that you have been represented by separate counsel retained by you in connection with the transaction described herein. No attorney-client relationship has existed or exists between our firm and you in connection with the WIFIA District Documents or the WIFIA District Resolution or by virtue of this letter.

Respectfully submitted,

EXHIBIT H-1

FORM OF CLOSING CERTIFICATE OF BORROWER

[_____], 2021

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among the Union Sanitary District Financing Authority, as Borrower (the "Borrower"), the Union Sanitary District, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement and section references shall refer to the WIFIA Loan Agreement.

In connection with Section 11(a) (Conditions Precedent – Conditions Precedent to Effectiveness) of the WIFIA Loan Agreement, the undersigned, President, as Borrower's Authorized Representative, does hereby certify on behalf of the Borrower and not in her personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(ix), attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the WIFIA Loan Documents to which the Borrower is a party and make the certifications of the Borrower delivered in connection therewith, and who have been appointed as a Borrower's Authorized Representative in accordance with Section 25 (Borrower's Authorized Representative) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(ii), attached hereto as Annex B are copies of each Obligation Document and Existing Construction Contract to which the Borrower is a party, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated by the WIFIA Loan Agreement have been fulfilled;

(c) pursuant to Section 11(a)(iii), attached hereto as Annex C is a copy of the Borrower's Organizational Documents, as in effect on the Effective Date, each of which Organizational Documents is in full force and effect;

(d) pursuant to Section 11(a)(v), the Borrower has delivered to the WIFIA Lender a copy of the WIFIA Borrower Resolution, the WIFIA Borrower Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party;

(e) pursuant to Section 11(a)(ix)(A), the Borrower has obtained all Governmental Approvals necessary to execute and deliver, and perform its obligations under, the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach or revocation);

(f) pursuant to Section 11(a)(ix)(B), as of the Effective Date, (i) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(g) pursuant to Section 11(a)(ix)(C), (i) the Borrower's Federal Employer Identification Number is 84-4609463, (ii) the Borrower's Data Universal Numbering System number is 118311151, and (iii) the Borrower has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex D;

(h) pursuant to Section 11(a)(ix)(D), the CUSIP number for the WIFIA Loan is 90811Q BY7;

(i) pursuant to Section 11(a)(ix)(E), the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(j) pursuant to Section 11(a)(ix)(F), no Borrower Material Adverse Effect, or any event or condition that could reasonably be expected to have a Borrower Material Adverse Effect, has occurred or arisen since April 30, 2021;

(k) pursuant to Section 11(a)(xi), none of the rating letters delivered to the WIFIA Lender pursuant to such Section 11(a)(xi) has been reduced, withdrawn or suspended as of the Effective Date;

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

UNION SANITARY DISTRICT FINANCING AUTHORITY

By:_____
Name:
Title:

ANNEX A

INCUMBENCY CERTIFICATE

The undersigned certifies that she is the Secretary of the Commission of the Union Sanitary District Financing Authority, a joint exercise of powers authority duly organized and existing under the Joint Exercise of Powers Agreement, dated January 13, 2020, by and between the Union Sanitary District and the California Municipal Finance Authority, and under the Constitution and laws of the State of California (the "Borrower"), and as such she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents to which the Borrower is a party on behalf of the Borrower as the Borrower's Authorized Representative:

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of the date hereof, by and among the Borrower, the Union Sanitary District, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [___] day of [____], 2021.

UNION SANITARY DISTRICT FINANCING AUTHORITY

By:_____
Name:
Title:

EXHIBIT H-2

FORM OF CLOSING CERTIFICATE OF DISTRICT

[_____], 2021

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2021 (the "WIFIA Loan Agreement"), by and among Union Sanitary District Financing Authority, as Borrower (the "Borrower"), the Union Sanitary District (the "District"), and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement and section references shall refer to the WIFIA Loan Agreement. Notwithstanding anything to the contrary set forth in the WIFIA Loan Agreement, the District is not a borrower with respect to the WIFIA Loan, the WIFIA Note, or the WIFIA Loan Agreement and the District has no obligation to make any payment or provision for payment of the WIFIA Loan or the WIFIA Note. The WIFIA Loan Agreement does not constitute a contract between the District and the WIFIA Lender by which the District has incurred an indebtedness.

In connection with Section 11(a) (Conditions Precedent – Conditions Precedent to Effectiveness) of the WIFIA Loan Agreement, the undersigned, General Manager, as District's Authorized Representative, does hereby certify on behalf of the District and not in his personal capacity, as of the date hereof:

(a) pursuant to Section 11(a)(x), attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the District to execute the WIFIA Loan Documents to which the District is a party and make the certifications of the District delivered in connection therewith, and who have been appointed as a District's Authorized Representative in accordance with Section 26 (District's Authorized Representative) of the WIFIA Loan Agreement;

(b) pursuant to Section 11(a)(ii), attached hereto as Annex B are copies of each Obligation Document and Existing Construction Contract to which the District is a party, together with any amendments, waivers or modifications thereto, that has been entered into on or prior to the Effective Date, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated by the WIFIA Loan Agreement have been fulfilled;

(c) pursuant to Section 11(a)(iii), attached hereto as Annex C is a copy of the District's Organizational Documents, as in effect on the Effective Date, each of which Organizational Documents is in full force and effect;

(d) pursuant to Section 11(a)(iv), the District has delivered to the WIFIA Lender a copy of the WIFIA District Resolution, the WIFIA District Resolution is in full force and effect, and no further instruments or documents (including any resolutions, ordinances, and supplements) are necessary for the District to execute and deliver, and to perform its obligations under, the WIFIA

Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents to which it is a party.

(e) pursuant to Section 11(a)(x)(A), the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;

(f) pursuant to Section 11(a)(x)(B), the District has obtained all Governmental Approvals necessary (i) as of the Effective Date in connection with the Project and (ii) to execute and deliver, and perform its obligations under, the WIFIA Loan Documents to which it is a party, and all such Governmental Approvals are final, non-appealable and in full force and effect (and are not subject to any notice of violation, breach or revocation);

(g) pursuant to Section 11(a)(x)(C), as of the Effective Date, (i) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan, does not exceed eighty percent (80%) of Total Project Costs;

(h) pursuant to Section 11(a)(x)(D), the District is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project;

(i) pursuant to Section 11(a)(x)(E), the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(j) pursuant to Section 11(a)(x)(F), (i) the District's Federal Employer Identification Number is 94-6000787, (ii) the District's Data Universal Numbering System number is 076544964, and (iii) the District has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex D;

(k) pursuant to Section 11(a)(x)(G), the representations and warranties of the District set forth in the WIFIA Loan Agreement and in each other WIFIA Loan Document to which the District is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

(l) pursuant to Section 11(a)(x)(H), no District Material Adverse Effect, or any event or condition that could reasonably be expected to have a District Material Adverse Effect, has occurred or arisen since April 30, 2021;

(m) pursuant to Section 11(a)(xii), attached hereto as Annex E is the Base Case Financial Model, which (i) demonstrates that projected Gross Revenues and Net Revenues and Authority Revenues are each sufficient to meet the Loan Amortization Schedule, (ii) demonstrates

compliance by the District with the Rate Covenant for each District Fiscal Year through the Final Maturity Date, (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender, and (iv) demonstrates that the District has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over the useful life of the Project; and

(n) pursuant to Section 11(a)(xiii), attached hereto as Annex F are certificates of insurance, and each such insurance certificate is true and correct and demonstrates compliance with the requirements of Section 17(f) (*Affirmative Covenants of the District – Insur*ance; Net Proceeds) of the WIFIA Loan Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

UNION SANITARY DISTRICT

By:_____
Name:
Title:

ANNEX A

INCUMBENCY CERTIFICATE

The undersigned certifies that she is the Secretary of the Board of the Union Sanitary District, a sanitary district duly organized and existing under the Constitution and laws of the State of California (the "District"), and as such she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the District in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents to which the District is a party on behalf of the District as the District's Authorized Representative:

Name	Title	Signature
[_____]	[_____]	_____
[_____]	[_____]	_____

Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of the date hereof, by and among the District, the Union Sanitary District Financing Authority, and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [___] day of [____], 2021.

UNION SANITARY DISTRICT

By:_____
Name:
Title:

EXHIBIT I

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[*Letterhead of Borrower*]

[*Date*]

Environmental Protection Agency
WIFIA Director
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, DC 20460

Project: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

Dear Director:

This certificate is provided pursuant to Section 20(g)(i)(A) (*Reporting Requirements of the District – Notices – Substantial Completion*) of that certain WIFIA Loan Agreement (the "**WIFIA Loan Agreement**"), dated as of [_____], 2021 by and among Union Sanitary District Financing Authority (the "**Borrower**"), Union Sanitary District (the "**District**") and the United States Environmental Protection Agency, acting by and through its Administrator (the "**WIFIA Lender**").

Unless otherwise defined herein, all capitalized terms in this certificate have the meanings assigned to those terms in the WIFIA Loan Agreement.

I, the undersigned, in my capacity as the District's Authorized Representative and not in my individual capacity, do hereby certify to the WIFIA Lender that:

(a) on [*insert date Substantial Completion requirements were satisfied*], the Project satisfied each of the requirements for Substantial Completion set forth in the [*insert reference to the design-build or similar agreements for the Project*];

(b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and

(c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved.

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

EXHIBIT J

FORM OF QUARTERLY REPORT

United States Environmental Protection Agency
WIFIA Director
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, DC 20460
WIFIA_Portfolio@epa.gov

Re: Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA)

This Quarterly Report for the period of [*insert relevant period*] is provided pursuant to Section 20(c) (*Reporting Requirements of the District – Construction Reporting*) of the WIFIA Loan Agreement, dated as of [_____], 2021 (the "**WIFIA Loan Agreement**"), by and among Union Sanitary District Financing Authority (the "**Borrower**"), Union Sanitary District (the "**District**") and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "**WIFIA Lender**"). Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Loan Agreement.

(i) Amount Expended

Construction Contract (CC)	Original Contract Amount	Change Orders to Date	Total Estimated Costs	Estimated Costs to Complete	Costs Earned or Paid Through Previous Reporting period	Current Reporting Period Costs Earned or Paid	Total Costs Earned or Paid to date	% Costs Earned or Paid to Date
TOTAL								

(ii) Construction Progress, Governmental Approvals, Updated Schedule

Assessment of overall construction progress (substantially similar in form and substance to the attached SRF Loan report for the Regional Water Quality Laboratory Agreement No. 13-815-550, which is included solely as an example report):

Notice of receipt of relevant Governmental Approvals since the Effective Date and since the prior Quarterly Report:

Assessment of construction progress compared to Construction Schedule provided in the prior Quarterly Report:

Construction Contract (CC)	NTP Effective Date	Original Time for Completion (days)	Original Contract Completion (date)	Time Added to Date (days)	Current Contract Completion (date)	Days Elapsed	% Contract Duration

(iii) Substantial Completion Date

Current projection for the Substantial Completion Date: _____

If the current projection for the substantial completion date is later than previously reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:

(iv) Material Problems (if any)

Detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any), encountered or anticipated in connection with the construction of the Project during the preceding quarter, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems:

(v) Proposed or pending change orders that exceed the threshold set out in Section 20(f) (*Reporting Requirements of the District – Modifications to Total Project Costs*) or could reasonably be expected to result in a Material Adverse Effect

(vi) Other matters related to the Project

Date: _____

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name: _____
Title:_____

EXHIBIT K

FORM OF PUBLIC BENEFITS REPORT

Pursuant to Section 11(a)(xiv) and Section 20(e) of the WIFIA Loan Agreement (as defined below), Union Sanitary District (the "**District**") is providing this Public Benefits Report in connection with the Enhanced Treatment and Site Upgrade Phase 1 Projects (WIFIA – N20104CA). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement dated as of [_____] (the "**WIFIA Loan Agreement**"), between the District, Union Sanitary District Finance Authority and the United States Environmental Protection Agency, acting by and through the Administrator.

Reporting Period: [Prior to the Effective Date][within ninety (90) days following the Substantial Completion Date][within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date]

(i) The number of total jobs and direct jobs projected to be created by the Project during the period between the Effective Date and the Substantial Completion Date:

WIFIA projects that the Project will create [__] total jobs, of which the District projects [__] will be direct jobs.

(ii) Indicate (yes or no) whether the Project will assist the District in complying with applicable regulatory requirements, and if yes, describe how the project assists with regulatory compliance:

Yes ☒

If yes, additional description: One of the key drivers for the Project is nutrient removal upgrades to address water quality in the San Francisco Bay. The District is voluntarily proceeding with a nutrient removal upgrade to address nutrients in the Bay. Permitted NPDES dischargers into the Bay were asked to reduce their collective nitrogen load as well as monitor for nutrients in the effluent and receiving water to support a regional and collaborative effort to implement the San Francisco Bay Nutrient Management Strategy. The reduction in nutrients will also allow better utilization of the wet weather outfall at Old Alameda Creek when necessary.

To address nutrient removal improvements, in the projects include modifications to the existing aeration basins, the addition of one new aeration basin, the construction of new secondary clarifiers, and the conversion of existing secondary clarifiers for equalization of flow. The aeration basin design will include the flexibility to operate in a step feed mode to improve and stabilize effluent quality during storm events.

No ☐

(iii) The Project will assist the District with the following environmental measure:

Measure(s): Amount by which Project will provide higher level of treatment at wastewater treatment plant (measured in MGD capacity at Substantial Completion)

Value: 33 MGD

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

[_____], 2021

Union Sanitary District
5072 Benson Road
Union City, CA 94587

Union Sanitary District Financing Authority
5072 Benson Road
Union City, CA 94587

RE: WIFIA Term Sheet for the Union Sanitary District
Enhanced Treatment and Site Upgrade Phase 1 Projects
WIFIA Project No. 20104CA

Ladies and Gentlemen:

This WIFIA Term Sheet (this "**Term Sheet**") constitutes (a) the approval of the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (hereinafter, the "**USEPA**"), of the application for credit assistance of the District (as defined below) received April 30, 2021 (the "**Application**") and (b) the agreement of USEPA to provide financing for the above-referenced project (as further described below, the "**Project**") in the form of a secured loan, pursuant to the Water Infrastructure Finance and Innovation Act ("**WIFIA**"), § 5021 *et seq*. of Public Law 113-121 (as amended by Public Law 114-94, Public Law 114-322 and Public Law 115-270) (the "**Act**"), codified as 33 U.S.C. §§ 3901-3914, subject in all respects to (i) the terms and conditions contained herein and (ii) the execution and delivery of the WIFIA loan agreement among USEPA, the District and the Borrower (as defined below) to be entered into on or after the date hereof (the "**WIFIA Loan Agreement**") and the terms and conditions contained therein. The financing shall be documented under the following three documents: (1) the WIFIA Loan Agreement; (2) an Installment Purchase Agreement, between the District and the Borrower (the "**WIFIA Installment Purchase Agreement**"); and (3) a note to be issued by the Borrower pursuant to the WIFIA Loan Agreement (the "**WIFIA Note**" and together with the WIFIA Installment Purchase Agreement, the WIFIA Loan Agreement, and certain other documents referenced in the definition thereof in the WIFIA Loan Agreement, the "**WIFIA Loan Documents**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the WIFIA Loan Agreement or the WIFIA Installment Purchase Agreement.

USEPA's agreement to provide WIFIA credit assistance to the Project is based upon the Application and the supplemental information and documents, including the base case financial model, provided to USEPA. This Term Sheet is an agreement of USEPA only to the terms specified herein, which may be modified or supplemented by USEPA in its discretion at any time and from time to time during the course of its due diligence and credit approval process.

By executing this Term Sheet, the District confirms its agreement to reimburse USEPA for any and all documented fees and expenses that USEPA incurs for legal counsel, financial advice, and other consultants in connection with the evaluation of the Project and the negotiation and

preparation of the WIFIA Loan Agreement and related documents, whether or not such agreement is ultimately executed.

This Term Sheet shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable, and the internal laws of the State of California, if and to the extent such federal laws are not applicable.

INDICATIVE TERMS OF THE WIFIA LOAN AGREEMENT

WIFIA LENDER	United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "**WIFIA Lender**").
BORROWER	The Union Sanitary District Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "**Borrower**")
DISTRICT	The Union Sanitary District, a sanitary district duly organized and existing under the laws of the State of California (the "**District**")
PROJECT	The project is for certain improvements to the District's Alvarado Wastewater Treatment Plant, which consist of the following components, as further described in the WIFIA Loan Agreement (collectively, the "**Project**"): (a) aeration basin modifications and the replacement of existing buildings, including construction of a new campus building; (b) construction of a secondary clarifier and new chlorine disinfection and effluent pumping facilities; and (c) retrofitting of the existing secondary clarifiers for plant equalization and storage.
WIFIA LOAN AMOUNT	A maximum principal amount (sum of disbursements) not to exceed $249,660,876; provided, that (a) the maximum principal amount of the WIFIA Loan, together with the amount of any other credit assistance provided under the Act, shall not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs, (b) the total federal assistance for the Project, including but not limited to the maximum principal amount of the WIFIA Loan and all federal direct and indirect grants, shall not exceed eighty percent (80%) of Total Project Costs, and (c) such amount does not include any interest that may be capitalized in accordance with the WIFIA Loan Agreement and added to the principal amount of the WIFIA Loan.
INTEREST RATE	The WIFIA Loan shall bear interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity (based on the weighted-average life of the WIFIA Loan) as published, on the execution date of the WIFIA Loan Agreement, in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) securities, currently located on the Internet at: https://www.treasurydirect.gov/GA-SL/SLGS/selectSLGSDate.htm.

	Interest shall accrue and be computed on the basis of a 360-day year of twelve (12) thirty (30) day months, and shall be compounded semi-annually. The WIFIA Loan shall also bear default interest at a rate of two hundred (200) basis points above the otherwise applicable interest rate, at such times and upon such terms as provided in the WIFIA Loan Agreement.
PAYMENT DATES	Principal of the WIFIA Loan shall be repaid in annual installments on March 1 of each year, beginning on the first March 1 occurring on or after the Debt Service Payment Commencement Date. Interest shall be paid in arrears on March 1 and September 1 of each year, beginning on the earlier of (i) the first March 1 or September 1 occurring closest to, but not later than, the fifth (5th) anniversary of the Substantial Completion Date and (ii) if the Capitalized Interest Period ends due to the occurrence of an Event of Default, the first March 1 or September 1 immediately following the end of the Capitalized Interest Period. Subject to the terms and conditions of the WIFIA Loan Agreement, no principal or interest is required to be paid during the Capitalized Interest Period.
FINAL MATURITY DATE	March 1, 2063; provided, that the Final Maturity Date shall be no later than the date that is thirty-five (35) years following the Substantial Completion Date.
PROJECTED SUBSTANTIAL COMPLETION DATE	June 30, 2028
DEDICATED SOURCE OF REPAYMENT	The dedicated source of repayment for the WIFIA Loan shall be the Gross Revenues, payable to the WIFIA Lender through the WIFIA Installment Payments received by the Borrower pursuant to or with respect to the WIFIA Installment Purchase Agreement, and all interest or gain derived from the investment of amounts in the funds or accounts established under the WIFIA Installment Purchase Agreement (the "**Authority Revenue**"). The WIFIA Installment Payments shall be payable to the WIFIA Lender as assignee of the Borrower, from¸ and secured by, the Gross Revenues of the Wastewater System in accordance with the WIFIA Installment Purchase Agreement, subject to the payment of all Operations and Maintenance Costs from Gross Revenues. The provisions below summarize the WIFIA Installment Purchase Agreement.

	"Net Revenues" means for any District Fiscal Year, the Gross Revenues for such District Fiscal Year less the Operation and Maintenance Costs for such District Fiscal Year. "**Gross Revenues**" means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Wastewater System, including, without limiting the generality of the foregoing: (a) rates and charges collected by the District on the Alameda County, California tax roll in accordance with Section 5473 et seq. of the Health and Safety Code (or any successor provisions thereto); (b) all other income, rents, rates, fees, charges or other moneys derived by the District through the facilities of or in the conduct or operation of the business of the Wastewater System; (c) the proceeds of any stand-by or availability charges, development fees and connection charges collected by the District; and (d) the earnings on and income derived from the investment of amounts described in clauses (a), (b) and (c) above and from District reserves; but excluding: (i) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District; (ii) any proceeds of taxes or assessments which are restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued; and (iii) gain or loss on the sale of any capital assets as permitted hereby. "Gross Revenues" also include all amounts transferred from the Parity Debt Reserve to the Revenue Fund in accordance with the WIFIA Installment Purchase Agreement. "Gross Revenues" do not include any amounts transferred from the Revenue Fund to the Parity Debt Reserve during any District Fiscal Year in accordance with the WIFIA Installment Purchase Agreement. "**Operation and Maintenance Costs**" means: (i) costs spent or incurred for maintenance and operation of the Wastewater System calculated in accordance with GAAP, including (among other things) the reasonable expenses of management and repair and

	other expenses that are necessary to maintain and preserve the Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the WIFIA Installment Purchase Agreement, the 2020 Installment Purchase Agreement, the 2020 Indenture, the 2021 Installment Purchase Agreement, the 2021 Indenture, or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (ii) costs allocable to the District under the EBDA Joint Powers Agreement which constitutes maintenance and operation costs of the EBDA calculated in accordance with GAAP; but excluding in all cases (x) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, (y) all capital charges, and (z) all amounts allocable to the District under the EBDA Joint Powers Agreement for capital costs thereof, including principal and interest on any bonds, notes or other evidence of indebtedness of EBDA. "**Wastewater System**" means the whole and each and every part of the wastewater collection, conveyance, treatment and disposal system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater system or any part thereof hereafter acquired or constructed, including recycled water facilities of the District and the District's interest in the facilities of the EBDA pursuant to the EBDA Joint Powers Agreement and related agreements. "**District Collateral**" means the Gross Revenues, all amounts that are on deposit in the Revenue Fund and amounts that are transferred from the Parity Debt Reserve to the Revenue Fund under the WIFIA Installment Purchase Agreement, the Acquisition Fund (including all amounts on deposit therein), the WIFIA Debt Service Account (including all amounts on deposit therein), and any other fund or account that is established or maintained pursuant to the WIFIA Installment Purchase Agreement (including all amounts on deposit therein) (except the Parity Debt Reserve (other than those amounts which are

	transferred by the District from the Parity Debt Reserve to the Revenue Fund)).
INSTALLMENT PAYMENTS; SECURITY AND LIEN PRIORITY; WIFIA SPRINGING LIEN	***Installment Payments*** Under the WIFIA Loan Documents, the District will acquire the Project from the Borrower, in exchange for installment payments paid by the District to the Borrower ("**WIFIA Installment Payments**"), which will be equal in time and amount to the debt service on the WIFIA Loan. Each WIFIA Installment Payment comprises a Principal Component and an Interest Component, which mimics a debt service structure under a traditional loan agreement. The WIFIA Installment Payments shall be adjusted in the same way that payments on the WIFIA Loan (as set forth in the WIFIA Loan Agreement) are adjusted. ***Security and Lien Priority*** Payment of the WIFIA Installment Payments by the District to the Borrower shall be secured by a valid and binding pledge and Lien on the District Collateral, and, subject to a Bankruptcy Related Event, subordinate to the Lien on the District Collateral (except as otherwise required by law) in favor of the Senior Obligations (and ordinary scheduled payment obligations under any hedging arrangements related thereto, but senior to any applicable hedging termination obligations) and on parity with other Subordinate Obligations (other than Subordinate Obligations that are subordinate to the WIFIA Installment Payments). Upon the occurrence of a Bankruptcy Related Event with respect to the District, the WIFIA Loan shall spring to parity with the Senior Obligations (including ordinary scheduled payment obligations under any hedging arrangements related to such Senior Obligations, but senior to any applicable hedging termination obligations), automatically and without the need for any notice to or from any Person, physical delivery, recordation, filing or further act. All Gross Revenues received by the District shall be deposited in a separately maintained fund established and held by the District (the "**Revenue Fund**") from which the District will pay, in the following order of priority: (i) first, all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable, and the remaining money on deposit shall constitute the Net Revenues, which will be used to make the payments described in clauses (ii), (iii) and

	(iv) below; (ii) second, to pay all amounts due and payable with respect to the Senior Obligations (including, upon the occurrence of a Bankruptcy Related Event of the District, the WIFIA Installment Payments), including the installment payments under the Installment Purchase Agreement, dated as of January 1, 2020, and the Installment Purchase Agreement, dated as of July 1, 2021, each between the District and the Borrower and ordinary scheduled payment obligations under any hedging arrangements related to such Senior Obligations (but prior to payment of any applicable hedging termination obligations); (iii) third, for transfer to the applicable trustee for deposit to such other reserve fund or account for Senior Obligations an amount that is equal to the amount required to be deposited therein, (iv) fourth, to pay all amounts then due and payable with respect to Subordinate Debt (as defined in the WIFIA Installment Purchase Agreement) (including, prior to the occurrence of a Bankruptcy Related Event, the WIFIA Installment Payments), (v) fifth, deposit to such other reserve fund or account for Subordinate Obligations an amount that is equal to the amount required to be deposited therein, and (vi) sixth, to pay amounts for any purpose permitted by law, including payment of Subordinate Debt that is subordinate to the WIFIA Installment Payments and deposits to the Parity Debt Reserve. Payment of the WIFIA Loan by the Borrower shall be secured by a first priority lien on, and security interest in, (i) all amounts held in the "WIFIA Debt Service Account" to be established and held by the District in accordance with the WIFIA Installment Purchase Agreement (the "**WIFIA Debt Service Account**") (including any funds and accounts therein), and (ii) the Authority Revenues received by the Borrower pursuant to the WIFIA Installment Purchase Agreement. Additionally, pursuant to the WIFIA Loan Agreement, the Borrower will assign certain of its rights under the WIFIA Installment Purchase Agreement (including the right to receive and collect the WIFIA Installment Payments) to the WIFIA Lender.
PREPAYMENT	The Borrower may prepay the WIFIA Loan in whole or in part, without penalty or premium; provided, that any such prepayment shall be in a minimum principal amount of $500,000 or any integral multiple of $1.00 in excess thereof, shall be limited to one prepayment during any 12-month period, and shall otherwise be in accordance with the WIFIA Loan Agreement.

RATE COVENANT	To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each District Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected to be at least sufficient to yield during each District Fiscal Year (i) Net Revenues equal to one hundred twenty percent (120%) of the Debt Service (as defined below) payable in such District Fiscal Year and (ii) Net Revenues remaining after payment of Debt Service equal to one hundred ten percent (110%) of Subordinate Debt Service (as defined below) payable in such District Fiscal Year.
ADDITIONAL INDEBTEDNESS	The District shall not issue or incur any Additional Obligations unless the conditions described below are satisfied: (a) The District may not issue or incur any Senior Obligations during the term of the WIFIA Loan Agreement unless all of the following conditions are satisfied: (i) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the bond issuance of such Senior Obligation or the date of the contract execution of such Senior Obligation, as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period; and (ii) The Net Revenues for the last audited District Fiscal Year, or for any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the bond issuance of such Senior Obligation or the date of the contract execution of such Senior Obligation, as the case may be, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or

	Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued on any executed or issued Senior Obligations since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Senior Obligations had been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Debt Service which would have accrued had such proposed additional Senior Obligation been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period. Notwithstanding the foregoing, any Senior Obligation to refund or prepay Senior Obligations may be delivered without satisfying the conditions set forth above if Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Senior Obligation is issued or executed is not greater than one hundred five percent (105%) of the Debt Service which would have been payable in each such District Fiscal Year prior to the issuance or execution of such new Senior Obligation. For the avoidance of doubt, the WIFIA Installment Purchase Agreement shall be treated as a Senior Obligation for purposes of clauses (i) and (ii) above. (b) The District shall not create, incur or suffer to exist any Additional Subordinate Obligations on parity with the WIFIA Installment Payments unless: (i) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the date of issuance or execution of such Subordinate Obligations, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate

	Debt Service for such District Fiscal Year or other twelve (12) month period; and (ii) The Net Revenues remaining after payment of Debt Service for the last audited District Fiscal Year or any consecutive twelve (12) calendar month period during the eighteen (18) calendar month period preceding the issuance or the execution of such Subordinate Obligations, including adjustments to give effect as of the first day of such District Fiscal Year or other twelve (12) month period to increases or decreases in rates and charges for the Wastewater Service approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Municipal Consultant on file with the District, shall have produced a sum equal to at least one hundred ten percent (110%) of the Subordinate Debt Service for such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued on any Subordinate Obligations issued since the end of such District Fiscal Year or other twelve (12) month period, assuming that such Subordinate Obligations had been issued or executed, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period, plus the Subordinate Debt Service which would have accrued had such proposed Subordinate Obligations been executed or issued, as applicable, at the beginning of such District Fiscal Year or other twelve (12) month period. Notwithstanding the foregoing, any Subordinate Obligations on a parity with the WIFIA Installment Payments that is executed to refund or prepay the Senior Obligations or other Subordinate Obligations on a parity with the WIFIA Installment Payments may be delivered without satisfying the conditions set forth above if Debt Service and Subordinate Debt Service in each District Fiscal Year after the District Fiscal Year in which such new Subordinate Obligations is issued or executed is not greater than one hundred five percent (105%) of the Debt Service and Subordinate Debt Service which would have been payable in each such District Fiscal Year prior to the issuance of or execution of such Subordinate Obligations.

	The Borrower shall not without the prior written consent of the WIFIA Lender issue or incur obligations of any kind payable from, secured or supported by any of the Authority Revenues and amounts to be held in any fund or account established pursuant to the WIFIA Installment Purchase Agreement or the right, title and interest of the Borrower to the WIFIA Installment Purchase Agreement. The District shall not create, incur or suffer to exist any obligations of the Project that are secured by a Lien on any assets or property of the District other than the Gross Revenues.[1] "**Debt Service**" means, for any period of calculation, the sum of: (a) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program); (b) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal); (c) those portions of the principal amount of all outstanding term Bonds required to be paid in such period (but excluding Excluded Principal); and (d) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

[1] **Note to District:** This will be reflected in an updated draft of the WIFIA Loan Agreement.

	but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Senior Obligations; provided that, as to any such Senior Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Senior Obligation plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; provided further that if any series or issue of such Senior Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Senior Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and provided further that, as to any such Senior Obligations or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Senior Obligations or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and provided further that if the Senior Obligations constitute interest rate swap agreements or other paired obligations, the interest rate on such Senior Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Senior Obligation for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each

	preceding year, in descending order, until such amount is exhausted. "**Excluded Principal**" means each payment of principal of any applicable Obligations for which there is on file with the WIFIA Lender (i) a certificate of an Independent Municipal Consultant to the effect that such Obligation is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than sixty (60) months and (ii) a certificate of an authorized representative of the District to the effect that the District intends to pay such principal from the proceeds of Obligations or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Obligations or the obligation of the District to pay such Obligations from Net Revenues. "**Subordinate Debt Service**" means debt service on Subordinate Obligations calculated in accordance with the definition of Debt Service with respect to Senior Obligations.
RESTRICTED PAYMENTS AND TRANSFERS	The District shall not permit Gross Revenues or other assets of the Wastewater System, or any funds in any fund or account held pursuant to the WIFIA Installment Purchase Agreement or any ancillary agreement related thereto, or in any other fund or account held by or on behalf of the District, to be paid or transferred or otherwise applied for purposes other than ownership, construction and improvement, operation or maintenance of the Wastewater System.
WIFIA LOAN DOCUMENTATION	The WIFIA Loan shall be subject to the preparation, execution and delivery of the WIFIA Loan Documents and any other loan documentation required by the WIFIA Lender in connection therewith, in each case acceptable to the WIFIA Lender, the Borrower and the District, which will contain certain conditions precedent, representations and warranties, affirmative and negative covenants, events of default, and other provisions as are typical of WIFIA loan agreements.
GOVERNING LAW	Federal laws of the United States of America, if and to the extent such federal laws are applicable, and the internal laws of the State of California, if and to the extent such federal laws are not applicable.
COUNTERPARTS	This Term Sheet, and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but

	one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page shall be effective as delivery of an original executed counterpart.

[*Signature pages follow*]

If the foregoing terms are acceptable, please countersign this letter in the space indicated below.

Sincerely,

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator of the United States Environmental Protection Agency

By: _____
Name: Michael S. Regan
Title: Administrator

ACKNOWLEDGED AND AGREED:

UNION SANITARY DISTRICT,
by its authorized representative

By: _____
Name:
Title:

UNION SANITARY DISTRICT FINANCING AUTHORITY,
by its authorized representative

By: _____
Name:
Title:

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 13

TITLE: **Authorize the General Manager to Execute a Professional Services Agreement with Hazen and Sawyer for Interim CIP Coach Services**
(This is a Motion Item)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer

Recommendation
Authorize the General Manager to Execute a Professional Services Agreement with Hazen and Sawyer in an amount not to exceed $253,344.00 for a period of up to 8 months for Capital Improvement Project (CIP) services.

Discussion
Sami Ghossain will be retiring on December 31, 2021. Historically, recruiting during the holidays is less than ideal thus the District conducted the interim internal recruitment for the Technical Services Work Group Manager (TS WGM). Raymond Chau (current CIP Coach) has been offered and accepted the interim position effective January 1, 2022. A formal recruitment for the TS WGM position will commence in the middle of January 2022.

Several options were considered for temporarily backfilling the professional services associated with the CIP Coach position. Due to various factors, it was determined utilizing outside consultant services on an interim basis was the most advantageous as these services could not be filled in-house. A short list of potential firms was narrowed down to one and proposed key personnel were interviewed by Raymond Chau and the General Manager. The proposed firm is Hazen and Sawyer with Allan Briggs as the key personnel. He was selected due to the right combination of expertise, experience, and knowledge of the District and he is a good fit for the District's culture.

Background
The attached professional services agreement anticipates the interim services will be for a maximum period of 8 months, 40 hours a week, for a not to exceed amount of $253,344.00. It is currently anticipated that 40 hours a week may not be necessary, and it is the District's goal to have the TS WGM position permanently backfilled within a 6-month period. The costs of these services will be paid from the GM's outside services/consultant budget line item. However, there are not enough budgeted funds to cover the not to exceed amount. Thus, this line item in the budget will end up running a negative balance. However, the overall budget will be able to accommodate these costs as they will be offset by salary and benefits that would have been paid to a full time TS WGM.

Previous Board Action
None

Attachments
Professional Services Agreement between the Union Sanitary District and Hazen and Sawyer

Task Order No. 1 to Agreement Between Union Sanitary District and Hazen and Sawyer for Professional Services

AGREEMENT

FOR

PROFESSIONAL SERVICES

BETWEEN

UNION SANITARY DISTRICT

AND

HAZEN AND SAWYER

This AGREEMENT FOR PROFESSIONAL SERVICES (the "AGREEMENT") is made of December 13, 2021, BETWEEN UNION SANITARY DISTRICT (the "DISTRICT), and HAZEN AND SAWYER (the "ENGINEER").

RECITALS

WHEREAS, DISTRICT desires to obtain services of an engineer to provide consultant services on DISTRICT's Capital Improvement Projects (CIP) on an interim basis while the position of CIP Coach remains unfilled (the "Services"); and

WHEREAS, ENGINEER is qualified and prepared to provide such Services.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

ARTICLE 1
SERVICES TO BE PERFORMED BY ENGINEER

1.1 ENGINEER shall perform the Services, including without limitation the services described in specific Task Orders issued by the District and executed by DISTRICT.

1.2 ENGINEER agrees to diligently prosecute the Services. In the performance of this Agreement, time is of the essence.

1.3 ENGINEER agrees to testify at DISTRICT's request if litigation is brought against DISTRICT in connection with the Services. Unless the action is brought by ENGINEER or is based upon ENGINEER's negligence, DISTRICT will compensate ENGINEER for the preparation and the testimony at ENGINEER's standard hourly rates.

1.4 ENGINEER may perform part of the Services at sites which contain unknown working conditions and contaminated materials. ENGINEER shall be solely responsible for the health and safety of ENGINEER's employees during the performance of the Services.

ARTICLE 2
COMPENSATION

2.1 Compensation for the Services shall be in accordance with Exhibit A, Compensation, attached hereto and incorporated herein. It is agreed that the compensation for the Services shall not exceed $253,344.00 "Cost Ceiling").

2.2 ENGINEER shall submit monthly invoices in a form satisfactory to DISTRICT on or before the tenth day of each month for Services provided during the preceding month. ENGINEER shall submit time and cost records as necessary to substantiate performance of the Services. Within 35 days after receipt of each such invoice, DISTRICT shall verify the accuracy of the invoice, correct the charges where appropriate and as discussed and mutually agreed with ENGINEER, and make payment to ENGINEER in an amount equal to the amount of such invoice, as verified or corrected by DISTRICT. No payment hereunder shall be construed as evidence of acceptance of any of ENGINEER's work. DISTRICT reserves the right to withhold payment from ENGINEER on account of Services not performed satisfactorily, delays in ENGINEER's performance of Services, or other defaults hereunder. ENGINEER shall not stop or delay performance of the Services under this Agreement on account of payment disputes with DISTRICT.

2.3 Together with each monthly invoice, ENGINEER shall submit a status report detailing the amount expended on the Services to that date and the remaining amount to be expended before the Cost Ceiling is reached. ENGINEER shall notify DISTRICT in writing when payments have reached 90 percent of the Cost Ceiling.

2.4 In lieu of holding retention, DISTRICT shall withhold ENGINEER's final payment until the Services are complete and DISTRICT has received all Documents. ENGINEER shall diligently continue and complete performance of the Services if the Services are not complete at the time ENGINEER has performed services up to the Cost Ceiling.

ARTICLE 3
PERIOD OF SERVICE

3.1 This Agreement shall become effective upon full execution and shall remain in full force and effect until August 13, 2022.

ARTICLE 4
STANDARD OF CARE

4.1 ENGINEER represents that it has the professional skills necessary to perform the Services and that it will perform the Services in a skillful and professional manner. ENGINEER represents that it has all the necessary licenses to perform the Services and shall maintain them throughout the term of this Agreement. ENGINEER agrees that the Services shall be performed in the manner and according to the standards observed by a competent practitioner of the profession in which ENGINEER is engaged, in the same or similar geographical area in which ENGINEER practices its profession, and will prepare all work products required by this Agreement in accordance with such standards. Acceptance by DISTRICT of the Services does not operate as a release of ENGINEER from professional responsibility for the Services performed.

ARTICLE 5
SUBCONTRACTING

5.1 ENGINEER may subcontract portions of the Services only upon the prior written approval of DISTRICT. ENGINEER will be solely responsible for payment of such subcontracted Services. No contractual relationship will exist between any such subcontractors of ENGINEER and DISTRICT. ENGINEER's subcontractors agree to be bound to ENGINEER and DISTRICT in the same manner and to the same extent as ENGINEER is bound to DISTRICT under the Agreement. ENGINEER's subcontractors further agree to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, with any subcontractor to the extent they apply to the scope of the subcontractor's work. A copy of the DISTRICT indemnity and insurance provisions will be furnished to ENGINEER's subcontractors upon request.

ARTICLE 6
DESIGNATED CONTACTS AND PERSONNEL

6.1 DISTRICT's designated contact will be set forth in the applicable Task Order. Such contact shall be responsible for administering and interpreting the terms and conditions of this Agreement, for matters relating to ENGINEER's performance under this Agreement, and for liaison and coordination between DISTRICT and ENGINEER. In the event DISTRICT wishes to make a change in DISTRICT's representative, DISTRICT will notify ENGINEER of the change in writing.

6.2 ENGINEER's designated contact and key personnel will be set forth in the applicable Task Order. Such contact shall have responsibility for the performance of the Services and for all matters relating to performance under this Agreement. Substitution of the ENGINEER personnel shall require the prior written approval of the DISTRICT, which may be withheld in DISTRICT's sole discretion. If the DISTRICT determines that a proposed substitution is not responsible or qualified to perform the Services then, at the request of the DISTRICT, ENGINEER shall substitute a qualified and responsible person.

ARTICLE 7
OWNERSHIP OF DOCUMENTS

7.1 Any reports and other material prepared by or on behalf of ENGINEER under this Agreement (collectively, the "Documents") shall be and remain the property of DISTRICT. All Documents not already provided to DISTRICT shall be delivered to DISTRICT on the date of termination of this Agreement for any reason. The Documents may be used by DISTRICT and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes DISTRICT may deem appropriate without further employment of or payment of any compensation to ENGINEER.

ARTICLE 8
RECORDS OF LABOR AND COSTS

8.1 ENGINEER shall maintain records of all labor and costs for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; and invoices, time sheets, or other factors used as a basis for determining charges. These records must be made available to the DISTRICT upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.

8.2 After completion of the Services under this Agreement, the ENGINEER's records of all costs used in claims for compensation under this Agreement shall be available to DISTRICT's accountants and auditors for inspection and verification. These records will be maintained by ENGINEER and made reasonably accessible to the DISTRICT for a period of three (3) years after termination of this Agreement.

8.3 ENGINEER agrees to cooperate and provide any and all information concerning the costs which are a factor in determining compensation under this Agreement as requested by the DISTRICT or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.

8.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for DISTRICT to refuse payment of any statement submitted by the ENGINEER and for a back charge for any DISTRICT funds, including interest from payment.

ARTICLE 9
INSURANCE

9.1 ENGINEER shall provide and maintain at all times during the performance of the Agreement the following insurance:

9.1.1 Workers' Compensation and Employer's Liability Insurance for protection of ENGINEER's employees as required by law and as will protect ENGINEER

from loss or damage because of personal injuries, including death to any of his employees.

9.1.2 Comprehensive Automobile Liability Insurance. ENGINEER agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability. This policy shall protect ENGINEER against all liability arising out of the use of owned or leased automobiles both passenger and commercial. Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits of liability for Comprehensive Automobile Liability Insurance shall not be less than $1,000,000 Combined Single Limit.

9.1.3 Comprehensive General Liability Insurance as will protect ENGINEER and DISTRICT from any and all claims for damages or personal injuries, including death, which may be suffered by persons, or for damages to or destruction to the property of others, which may arise from the ENGINEER's operations under this Agreement, which insurance shall name the DISTRICT as additional insured. Said insurance shall provide a minimum of $2,000,000 Combined Single Limit coverage for personal injury, bodily injury, and property damage for each occurrence and aggregate. Such insurance will insure ENGINEER and DISTRICT from any and all claims arising from the following:

1. Personal injury;
2. Bodily injury;
3. Property damage;
4. Broad form property damage;
5. Independent contractors;
6. Blanket contractual liability.

9.1.4 ENGINEER shall maintain a policy of professional liability insurance, protecting it against claims arising out of negligent acts, errors, or omissions of ENGINEER pursuant to this Agreement, in an amount of not less than $1,000,000. This policy shall cover the indemnity provisions under this Agreement.

9.1.5 ENGINEER agrees to maintain such insurance at ENGINEER's expense in full force and effect in a company or companies satisfactory to the DISTRICT. All coverage shall remain in effect until completion of the Services.

9.1.6 ENGINEER will furnish the DISTRICT with certificates of insurance and endorsements issued by ENGINEER's insurance carrier and countersigned by an authorized agent or representative of the insurance company. The certificates shall show that the insurance will not be cancelled without at least thirty (30) days' prior written notice to the DISTRICT. The certificates for liability insurance will show that liability assumed under this Agreement is included. The endorsements will show the DISTRICT as an additional insured on ENGINEER’s insurance policies for the coverage

required in Article 11 for services performed under this Agreement, except for workers' compensation and professional liability insurance.

9.1.7 Waiver of Subrogation: ENGINEER hereby agrees to waive subrogation which any insurer of ENGINEER may acquire from ENGINEER by virtue of the payment of any loss. ENGINEER agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

(a) The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the DISTRICT for all work performed by the ENGINEER, its employees, agents and subconsultants.

ARTICLE 10
LIABILITY AND INDEMNIFICATION

10.1 ENGINEER shall, to the fullest extent allowed by law, with respect to claims, liability, loss, damage, costs, or expenses, including reasonable attorney's and expert witness fees, awards, fines, penalties, or judgments, arising out of or relating to the Services (collectively "Claims"), defend, indemnify, and hold harmless DISTRICT, its Officials, officers, employees and agents (the "DISTRICT Parties"), except to the extent the Claims are attributable to DISTRICT Parties' gross negligence or willful misconduct. ENGINEER shall defend the DISTRICT Parties as required by California Civil Code Section 2778, and with counsel reasonably acceptable to those parties. ENGINEER shall have no right to seek reimbursement from the DISTRICT Parties for the costs of defense.

10.2 If ENGINEER is a "design professional," as defined in California Civil Code Section 2782.8(c), ENGINEER shall indemnify, defend, and hold the Indemnitees harmless against Liability only to the extent such Liability arises out of, pertains to, or relates to ENGINEER's negligence, recklessness, or willful misconduct. In such an event, the cost to defend charged to ENGINEER shall not exceed ENGINEER's proportionate percentage of fault.

10.3 The obligations contained in this Section shall survive the termination of this Agreement for whatever cause for the full period of time allowed by law and shall not in any way be limited by the insurance requirements of this Agreement.

ARTICLE 11
INDEPENDENT CONTRACTOR

11.1 ENGINEER is an independent contractor and not an employee of DISTRICT. ENGINEER expressly warrants that it will not represent that it is an employee of DISTRICT. Persons employed or utilized by ENGINEER in the performance of the Services will not be employees or agents of DISTRICT. ENGINEER is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes. ENGINEER shall be wholly responsible for the means and

methods of performance. DISTRICT will have no right to supervise the methods used, but DISTRICT will have the right to observe such performance.

ARTICLE 12
CONFLICT OF INTERST PROHIBITION

12.1 DISTRICT and ENGINEER will comply with the requirements of the DISTRICT's Conflict of Interest Code adopted pursuant to California Government Code §87300 et seq., the Political Reform Act (California Government Code §81000 et seq.), the regulations promulgated by the Fair Political Practices Commission (Title 2, §18110 et seq. of the California Code of Regulations), California Government Code §1090 et seq., and any other ethics laws applicable to the performance of the Services and/or this Agreement. ENGINEER may be required to file with the District Clerk a completed Form 700 before commencing performance of the Services unless determined that completion of a Form 700 is not required.

12.2 ENGINEER may not perform Services for any other person or entity that, pursuant to any applicable law or regulation, would result in a conflict of interest or would otherwise be prohibited with respect to ENGINEER's obligations pursuant to this Agreement. ENGINEER agrees to cooperate fully with DISTRICT and to provide any necessary and appropriate information requested by DISTRICT or any authorized representative concerning potential conflicts of interest or prohibitions concerning ENGINEER's obligations pursuant to this Agreement.

12.3 ENGINEER may not employ any DISTRICT official, officer or employee in the performance of the Services, nor may any official, officer or employee of DISTRICT have any financial interest in this Agreement that would violate California Government Code §1090 et seq. ENGINEER hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of DISTRICT. If ENGINEER was an employee, agent, appointee, or official of DISTRICT in the previous twelve months, ENGINEER warrants that it did not participate in any manner in the forming of this Agreement. ENGINEER understands that, if this Agreement is made in violation of Government Code §1090 et seq., the entire Agreement is void and ENGINEER will not be entitled to any compensation for ENGINEER's performance of the Services, including reimbursement of expenses, and ENGINEER will be required to reimburse DISTRICT for any sums paid to ENGINEER under this Agreement. ENGINEER understands that, in addition to the foregoing, penalties for violating Government Code §1090 may include criminal prosecution and disqualification from holding public office in the State of California.

12.4 Any violation by ENGINEER of the requirements of this provision will constitute a material breach of this Agreement, and the DISTRICT reserves all its rights and remedies at law and equity concerning any such violations

ARTICLE 13
COMPLIANCE WITH LAWS

13.1 In performance of the Services, ENGINEER will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. ENGINEER shall procure the permits, certificates, and licenses necessary to allow ENGINEER to perform the Services.

ARTICLE 14
NONDISCLOSURE OF PROPRIETARY INFORMATION

14.1 ENGINEER shall consider all information provided by DISTRICT and all drawings, reports, studies, design calculations, specifications, and other documents resulting from the ENGINEER's performance of the Services to be proprietary unless such information is available from public sources. ENGINEER shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of DISTRICT or in response to legal process. The covenants contained in this Section shall survive the termination of this Agreement for whatever cause.

ARTICLE 15
TERMINATION OF CONTRACT

15.1 The obligation to continue Services under this Agreement may be terminated by DISTRICT upon seven days written notice in the event of failure by ENGINEER to perform in accordance with the terms hereof through no fault of DISTRICT.

15.2 DISTRICT shall have the right to terminate this Agreement or suspend performance thereof for DISTRICT's convenience upon written notice to ENGINEER, and ENGINEER shall terminate or suspend performance of Services on a schedule acceptable to DISTRICT. In the event of termination or suspension for DISTRICT's convenience, DISTRICT will pay ENGINEER for all services performed and costs incurred including termination or suspension expenses.

ARTICLE 16
UNCONTROLLABLE FORCES

16.1 Neither DISTRICT nor ENGINEER shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storms, lightening, epidemic, pandemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations

from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either DISTRICT or ENGINEER under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.

16.2 Neither party shall, however, be excused from performance if nonperformance is due to uncontrollable forces which are removable or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, removed or remedied with reasonable dispatch. The provisions of this Article shall not be interpreted or construed to require ENGINEER or DISTRICT to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement. ENGINEER will be allowed reasonable negotiated extension of time or adjustments for DISTRICT initiated temporary stoppage of services.

ARTICLE 17
INTEGRATION AND MODIFICATION

17.1 This Agreement is a complete and exclusive statement of the terms of the Agreement between DISTRICT and ENGINEER. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the DISTRICT and ENGINEER pertaining to the Services, whether written or oral.

17.2 This Agreement may not be modified unless such modifications are evidenced in writing signed by both DISTRICT and ENGINEER.

ARTICLE 18
SUCCESSORS AND ASSIGNS

18.1 DISTRICT and ENGINEER each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

18.2 Neither DISTRICT nor ENGINEER shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent ENGINEER from

employing such independent engineers, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 5.

18.3 Nothing herein shall be construed to give any rights or benefits to anyone other than DISTRICT and ENGINEER.

ARTICLE 19
NOTICES

19.1 All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by reputable overnight courier and shall be deemed received upon the earlier of: (1) if personally delivered, the date of delivery to the address of the person to receive such notice; or (2) if delivered by Federal Express or other overnight courier for next business day delivery, the next business day. Notice of change of address shall be given by written notice in the manner described in this Article. Rejection or other refusal to accept or the inability to deliver because of a change in address of which no notice was given shall be deemed to constitute receipt of the notice or communication sent. Unless changed in accordance herewith, the addresses for notices given pursuant to this Agreement shall be as follows:

If to DISTRICT:

Union Sanitary District
5072 Benson Road
Union City, CA 94587
Attention: General Manager
Phone: 510-477-7500
Email: paule@unionsanitary.ca.gov

If to ENGINEER:

Hazen and Sawyer
Marc S. Solomon
98 New Montgomery Street, Suite 333
San Francisco, Ca 94105
Phone: 707-696-9318
Email: msolomon@hazenandsawyer.com

ARTICLE 20
INFORMATION SYSTEM SECURITY

20.1 When DISTRICT determines this Article is applicable, the ENGINEER shall obtain written approval from the DISTRICT representative prior to accessing DISTRICT internal systems through real-time computer connections. Upon approval, ENGINEER will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, ENGINEER shall:

20.1.1 Be running a current operating system supported by the DISTRICT with up-to-date security patches applied as defined in the DISTRICT COE/Non-COE document.

20.1.2 Have anti-virus software installed on his/her personal computer with up-to-date virus signatures.

20.1.3 Have personal firewall software installed and enabled on their computer.

20.1.4 Understand and sign the DISTRICT's Electronic Equipment Use Policy, number 2160.

20.2 DISTRICT reserves the right to audit the security measures in effect on ENGINEER's connected systems without prior notice. DISTRICT also reserves the right to terminate network connections immediately with all ENGINEER's systems not meeting the above requirements.

ARTICLE 21
EMPLOYEE BACKGROUND CHECK

21.1 If applicable, ENGINEER, at no additional expense to the DISTRICT, shall conduct a background check for each of its employees, as well as for the employees of its subconsultants (collectively "Consultant Employees") who will have access to DISTRICT's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on DISTRICT's premises. The minimum background check process for any DISTRICT consultant shall include, but not be limited to:

21.1.1 California residents: Criminal Records (County and State Criminal Felony and Misdemeanor); or

21.1.2 Out of State residents: Federal criminal search of the National Criminal Database.

21.2 The background check shall be conducted and the results submitted to DISTRICT prior to initial access by employees of ENGINEER. If at any time, it is discovered that an employee of ENGINEER has a criminal record that includes a felony or misdemeanor, ENGINEER is required to inform DISTRICT immediately and DISTRICT will assess the circumstances surrounding the conviction, time frame, nature, gravity,

and relevancy of the conviction to the job duties, to determine whether the employee of ENGINEER will be placed or remain on a DISTRICT assignment. DISTRICT may withhold consent in its sole and absolute discretion. DISTRICT may also conduct its own criminal background check of such employee. Failure of ENGINEER to comply with the terms of this Article may result in the termination of this Agreement.

ARTICLE 22
MISCELLANEOUS

22.1 A waiver by either DISTRICT or ENGINEER of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

22.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

22.3 This Agreement may be signed in counterparts and, when fully signed, such counterparts shall have the same effect as if signed in one document.

22.4 This Agreement and all matters relating to it shall be governed by the laws of the State of California without reference to its choice of laws principles and venue shall be in the appropriate court in Alameda County, California.

22.5 In the event the parties are unable to resolve a dispute arising under this Agreement through good faith negotiations, the parties agree to submit the matter to mediation with a mutually agreeable mediator. Prior to the mediation, the parties shall exchange any documents reasonably necessary to resolve the matter to be mediated.

22.6 In the event this Agreement is ever construed in any dispute between the parties, it and each of its provisions shall be construed without regard to the party or parties responsible for its preparation and shall be deemed to have been prepared jointly by the parties. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement.

22.7 Nothing contained in this Agreement shall create a contractual relationship with, or cause of action in favor of, a third party against either the DISTRICT or ENGINEER. The Services hereunder are being performed solely for the benefit of DISTRICT. DISTRICT shall be an express third-party beneficiary of all contracts between

ENGINEER and any subcontractors or subconsultants in connection with any services performed in connection with, or in furtherance of, this Agreement.

22.8 Each individual executing this Agreement on behalf of one of the parties represents that he or she is duly authorized to sign and deliver the Agreement on behalf of such party and that this Agreement is binding on such party in accordance with its terms.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT	HAZEN AND SAWYER
By: _____	By: _____
Name: Paul R. Eldredge, P.E.	Name: Marc S. Solomon, P.E.
Title: General Manager	Title: Vice President, Hazen and Sawyer
Date: _____	Date: _____

EXHIBIT A

Compensation

DISTRICT shall pay ENGINEER for the Services on a cost reimbursement basis, up to the Cost Ceiling (as defined in Section 2.1 of the Agreement). ENGINEER agrees to use appropriate methods to contain its fees and costs under this Agreement. Compensation shall include only the following costs, which shall all count toward the Cost Ceiling:

1. Direct Labor. Direct labor costs shall be the total number of hours worked on the job by each employee times the agreed hourly rate for such employee as set forth in the applicable Task Order. DISTRICT will pay all personnel at their regular straight-time rate, including any work performed on overtime or on holidays or weekends.

2. Subconsultant Costs. Subconsultant services shall be billed at cost plus a 5 percent markup. ENGINEER shall provide a copy of each subconsultant's invoice for which it seeks payment from DISTRICT with any invoice in which such payment is requested.

3. Other Direct Costs. The following categories of costs are eligible for reimbursement, which shall be made at the actual cost to ENGINEER without any additional mark-up:

a. Reasonable living and traveling expenses of employees when away from home office on business in its prosecution of the Services. ENGINEER must have prior written approval of DISTRICT to be reimbursed for these expenses.

b. Automobile expenses for personal vehicle use, if necessary, at the IRS approved mileage rate.

c. Reproduction of drawings and specifications by ENGINEER as required under this Agreement, at rates prevailing in this community for bulk reproduction or at other reasonable rates approved by DISTRICT.

d. Special overnight delivery or messenger services.

Payments to ENGINEER for reimbursable costs/expenses will be made only after the specific costs/expenses have been incurred and ENGINEER has submitted substantiating documentation, such as copies of paid invoices or other documentation confirming that such costs/expenses have been incurred.

Examples of Interim CIP Coach Tasks and Responsibilities

1. **Personnel Management**
    a. Monitor arrival and departure times of employees.
        i. This team has 2 classified (union) employees (Administrative Specialist I and Engineering Technician II), 3 unclassified exempt employees (Associate Engineers), and 3 unclassified non-exempt employees (Assistant Engineers).
        ii. Employees' start times vary from 6:30 am to 7:30 am. Their stop times vary from 4:00 pm to 5:00 pm.
        iii. At least one engineer will be at the office during business hours (Monday through Friday, 8:00 am to 5:00 pm) and whenever the contractor is working on site.
        iv. Employees have 9/80 schedules with Friday off every other week, except for the Engineering Technician, who is off every other Monday.
        v. Approve employee timecards.
    b. Check the Optimum HQ website every morning to confirm employees have reported on their health status before arriving at the office.
    c. For leave requests, verify who will provide coverage for their projects and/or tasks. For leave requests of one week or longer, ask for an email of active project/task items and their status.
    d. Track performance throughout the year. Coach/mentor the staff depending on the need.

2. **Project/Task Updates and Check-in Meetings**
    a. The engineers will provide weekly project updates by noon every Thursday.
        i. Review and clarify updates as necessary.
        ii. Compile all updates into one update document and email it to the work group manager no later than Monday morning at 9 am.
        iii. The work group manager will review and provide an update to the ET on Monday afternoon.
    b. Meet with each engineer monthly. Reschedule as necessary because of conflicts.
    c. The Administrative Assistant will provide a monthly update prior to the monthly check-in meeting.
    d. The Engineering Technician will provide a bi-weekly update prior to the bi-weekly check-in meeting. The update and check-in meeting are currently scheduled every 2 weeks through December. Consider extending them through January then change to monthly.

3. **Team Meetings**
    a. There is a team meeting every month that includes a work group manager info share, coach info share, standing team administrative items, other team discussions, and project updates every other month.
    b. Prepare and present the coach info share, if any. The work group manager typically covers most Districtwide news and events in their info share.
    c. Every two months, review a District policy during the team meeting. Send an email to the team the week prior to the team meeting to ask them to review the policy (as determined by HR) on their own and to bring questions and discuss during the team meeting.
    d. Prepare and present recognition, if any, to the team members during the team meeting.

4. **Construction Projects**
    a. Attend the weekly construction progress meetings if time allows. There are currently seven meetings every week.
    b. Attend the weekly SOSR meeting with internal O&M staff at 7:45 am every Wednesday via MS Teams.
    c. Review draft SOSRs from engineers prior to O&M staff's review.
    d. Engineers will present construction issues as they come up and will seek direction, possible solutions, and decisions.
    e. Assist engineers with their management of the construction management and design (ESDC) consultants.
        i. Engineers should review all RFIs before CM forwards to design consultant and back to the contractor.
        ii. Engineers should review all submittals before CM forwards design consultant's response back to the contractor.
    f. Assist engineers in planning construction SOSRs and coordinating activities with other construction projects and O&M staff's activities.
    g. Assist engineers with changed conditions and issuance of field orders or requests for quotation.
    h. Assist engineers with change order negotiations.
    i. Review the contractors' draft monthly progress payment requests and approve the final version. In Eden, approve invoices that exceed $200,000; automatic email notification.

5. **Study and Design Projects**
    a. Attend the various meetings with consultants and other stakeholders (cities, county, other permitting agencies, etc.) during the study or design phase.
    b. Review draft comments on deliverables (tech memos, reports, design submittals, addenda) before engineers send them back to the consultants.
    c. Review 50%, 90%, and final design submittals.

6. **Other Meetings**
    a. Coordinate and attend quarterly project info share meeting with the O&M groups.
    b. Attend weekly SOSR planning meetings (Wednesday; as mentioned previously) and Plant planning meetings (Thursday; optional).
    c. Attend the team's process improvement project meetings and/or Innovation and Goals project meetings.
        i. Work with the team on the development of the work products.

7. **Board Staff Reports**
    a. The Board meetings are held the second and fourth Mondays of every month.
        i. Some meetings are cancelled or rescheduled because of holidays. The Board decides on a case-by-case basis.
    b. Track the board staff report titles and which board meetings to schedule the report presentations.
    c. The report titles are due to the Assistant to the General Manager by noon on Wednesday two weeks prior to the Board meeting. The final staff reports are due by 5:00 pm on Monday one week prior to the Board meeting.
        i. For example, for the January 24th Board meeting, the titles are due by noon on Wednesday, January 12th, and the reports are due by 5:00 pm on Monday, January 17th.
    d. The Board committee meetings are held on Wednesday through Friday the week prior to the Board meeting. The work group manager typically attends the committee and Board meetings to present the reports. Provide supporting information to the manager as requested.
    e. Review the draft staff reports from the engineers and follow up with them if there are any questions or additional information to include. Send a final draft to the work group manager for review by Monday morning (one week prior to the Board meeting; earlier would be preferred).

8. **CIP Budget**
    a. Monitor and track the current budget's progress throughout the fiscal year.
    b. Track unbudgeted scope (brought up by the O&M staff or discovered during another project) throughout the year and include them in the next fiscal year's CIP budget.
    c. Confirm the engineers are updating the paid invoices in Projectmates.
    d. Every quarter, prepare the CIP cash flow projections spreadsheet and ask the engineers to provide their projections for the next 12 months.

9. Consultant Selection

a. Review engineers' draft Requests for Proposal (RFPs) for new projects. Forward final draft to the work group manager for review prior to distribution.
b. Coordinate with the engineers on the RFP schedule.
c. Coordinate with the O&M management staff on their coach representatives for each project.
d. Review consultants' proposals and make selection.
e. Review consultant's proposal and fee and discuss with the work group manager.
f. If the fee exceeds $100,000, the Board's authorization will be needed. If so, prepare Board staff report. If not, then either the TS work group manager (up to $50,000) or the General Manager (between $50,000 and $100,000) can approve without the Board's authorization.

10. Safety

a. Conduct at least three safety field observations with the engineers every month.
    i. Include the Safety Specialist at least once every quarter.
    ii. Include the work group manager at least once every quarter.
b. Safety is a standing agenda topic during every weekly construction progress meeting with the contractor.
c. Address safety issues during design submittal meetings and document review and during construction as the contractor's work progresses.
   Wear PPE (hard hat, safety vest, steel-toed shoes/boots, safety glasses, hearing protection) in the Plant and at all construction sites

CAPITAL IMPROVEMENT PROJECTS CONSULTING SERVICES

TASK ORDER NO. 1

to

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

HAZEN AND SAWYER

FOR

PROFESSIONAL SERVICES

Dated December 13, 2021

1. PURPOSE

The purpose of this Task Order is to provide consultant services on District's Capital Improvement Projects (CIP) on an interim basis while the position of CIP Coach remains unfilled.

2. PROJECT COORDINATION

All work related to this Task Order shall be coordinated through the District's contact, Raymond Chau.

3. ENGINEER'S SCOPE OF SERVICES

Engineer shall provide the following professional services.

TASK 1.0 – CIP Services

Hazen will provide staff to assist the District with CIP projects, which may include reviewing reports, studies, drawings, figures, and other information; assisting with workload scheduling; and other duties as requested by the District. Hazen is familiar with the District's CIP through work on other projects and will leverage this knowledge to streamline this task.

4. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. The billing rate for Hazen's assigned personnel, Allan Briggs, is $180/hour, which is equivalent to an overall labor multiplier of 2.0, including profit. As set forth in Exhibit A to the Agreement, subconsultants and outside services will be billed at actual cost plus 5%; other direct costs will be billed at actual cost; and mileage will be billed at prevailing IRS standard rate.

The billing rate may be adjusted on an annual basis starting July 1 based on cost-of-living adjustments (COLA). The anticipated COLA is 4.5%.

Total charges to the DISTRICT not-to-exceed amount shall be $253,344.00 which includes all scope items.

The following table summarizes the previously-executed and proposed task orders and amendments under the Agreement:

Task Order / Amendment	**Not to Exceed Amount**	**Board Authorization Required?**	**District Staff Approval**
Task Order No. 1 – CIP Services	$253,344.00	Yes	General Manager
Total	**$253,344.00**		

5. TIME OF COMPLETION

Anticipated schedule for completion of Engineer's scope of services is a maximum of 8 months.

6. KEY PERSONNEL

Engineer's personnel assigned for this Task Order shall consist of the following individuals:

Key Person to be Assigned	Role
Allan Briggs	CIP Services

Key personnel shall not be changed except in accordance with Article 6 of the Agreement. District and Engineer agree not to solicit for employment the employees of the other party who are directly associated with this Agreement or are listed as "key personnel" for the duration of this Agreement and for a period of one (1) year following the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of _____, 2021 and therewith incorporate it as part of the Agreement.

DISTRICT	ENGINEER
UNION SANITARY DISTRICT	HAZEN AND SAWYER
By: _____	By: _____
Paul Eldredge, P.E.	Marc Solomon, P.E.
General Manager	Vice President
Date: _____	Date: _____

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 14

TITLE: **Review and Consider Approval of Side Letter Agreement Between Union Sanitary District and Service Employees International Union, Local 1021, Extending MOU Through December 31, 2026** ***(This is a Motion Item)***

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Workgroup Manager/CFO
Gene Boucher, Human Resources Manager

Recommendation
Consider and approve the side letter agreement between the District and Service Employees International Union (SEIU), Local 1021, extending the current MOU through December 31, 2026.

Discussion
The District and SEIU, Local 1021, met and agreed to extend the current MOU for an additional four (4) years beyond the current end date of December 31, 2022. The attached side letter will extend the current provisions of the MOU with the following provisions:

- Effective dates – February 26, 2019 through December 31, 2026
- Cost of Living Adjustments (COLA) will remain based on CPI-U for the San Francisco, Oakland, San Jose areas from December to December each year with a minimum of 3.25% and a maximum of 4.5% and will occur in the pay period that includes March 1 each year.
- One-time lump sum payment of $750 paid to each member of the bargaining group employed with the District as of January 1, 2022. The one-time lump sum payment will not be pensionable compensation and will not be paid in additional years of the contract.

- Increases to the medical cap (maximum the District will pay for health benefits for employees) will increase by 4% in 2022, 2023, 2024, 2025, and 2026.
- Deferred compensation matching for employees contributing to a 457 deferred compensation account will be matched annually for employees represented by SEIU, Local 1021 in the amount of $500 per year for the remainder of the contract through December 31, 2026.
- Juneteenth Holiday (June 19) is being added as a District observed holiday. The holiday will be observed on the date of observance each year.
- Retiree medical reimbursements will continue to increase by $25 every two (2) years.
- All other provisions, and previously agreed upon side letters will be included in this contract extension.

The provisions of this side letter to extend the current MOU through December 31, 2026, has been voted on by members of SEIU, Local 1021, and accepted by their members.

Background

The District and members of SEIU, Local 1021, met previously during negotiations on the current Memorandum of Understanding effective February 26, 2019 through December 31, 2022.

Previous Board Action

02/25/2015 – Board Approved Memorandum of Understanding between District and SEIU, Local 1021 effective February 26, 2019, through December 31, 2022

Attachments

- Memorandum of Understanding between the District and Service Employees International Union, Local 1021, effective February 26, 2020, through December 31, 2022
- Side letter agreement – Extension of 2019 – 2022 Memorandum of Understanding

Memorandum of Understanding

February 26, 2019 – December 31, 2022

FORWARD **1**

PREAMBLE **1**

SECTION 1 DISTRICT RIGHTS AND RESPONSIBILITIES **2**

1.1 GENERAL 2
1.2 MANAGEMENT 2

SECTION 2 EMPLOYEE RIGHTS **2**

2.1 GENERAL 2
2.2 UNION RIGHTS 2
2.3 HOLD HARMLESS 2
2.4 REPRESENTATIVES 3

SECTION 3 RIGHTS OF RECOGNIZED ORGANIZATIONS **3**

3.1 SCOPE 3
3.2 NOTICE 3

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Memorandum of Understanding

Forward

The District and the Union recognize that the work environment and the nature of work are changing and will continue to change in the future. We are committed to working jointly to address that future, and to making the necessary changes in the most productive way for all stakeholders.

With this Memorandum of Understanding, we have attempted to build a foundation using mutual respect, open communication and trust. The Union and Management recognize that each party has a distinct and separate role in the organization. We also want to acknowledge that we have found many common interests and that we share the mutual goal of the continued success of Union Sanitary District.

Management recognizes that the Union is a stakeholder in the District, is accountable to its constituents, and wants to have the employees meaningfully involved in determining the direction of the organization. The Union recognizes that Management is accountable to the District's Board of Directors and is responsible to ensure that the organization is competitive within the industry and operates in the best interests of its ratepayers. Collectively, we are committed to the collaborative framework we have created to achieve these goals.

Both parties are jointly committed to the long-term success of the organization and recognize that perseverance, patience and a lot of hard work lies ahead. This commitment is demonstrated through the joint labor-management committee, Steering Committee, and team-based organization. We recognize that communication is the cornerstone of the relationship that we are building. The union officers and management understand that there will be disagreements; and we are committed to maintaining communication and using collaborative methods, such as interest-based problem-solving, to address issues and to resolve our differences. One way of doing this is through the Joint labor-management committee (JLMC). We envision the JLMC as the steward of this Memorandum of Understanding, facilitating its implementation and providing interpretation of its intent when disagreements arise.

The Union and the District share a mutual goal: We want to improve the quality of life in the working environment for all employees and provide superior customer service through an efficient operation. We believe that we can learn from each other through ongoing interaction and by acknowledging successes along the way. With everyone working together we can fulfill this goal, achieve the District's Mission and strategic objectives, and develop a relationship that makes Union Sanitary District a truly excellent place to work.

Preamble

The authorized representatives of Union Sanitary District (herein called "District") and Service Employees International Union Local 1021 (herein called "Union") have heretofore met and conferred in good faith as required by law.

The District and Union have freely exchanged information, opinions, and proposals and each has fully considered presentations made by each other. As a result, the aforesaid have reached the following understanding which, in accordance with Section 3505.1 of the California Government Code, has been presented to the Board of Directors of Union Sanitary District for determination. This Memorandum of Understanding (MOU) shall apply equally to all classified employees of the District represented by the Union and is subject to all existing laws of the State of California applicable to the District, including the Meyers-Milias-Brown Act (Section 3500-3510 of the California Government Code), ordinances, resolutions, and administrative rules of the District, except as expressly provided to the contrary herein.

Service Employees International Union, Local 1021 is the exclusive recognized representative of all classified employees of Union Sanitary District as specified in the Salary Schedule.

The following are the Rules and Regulations as agreed upon between Union Sanitary District and Service Employees International Union Local 1021.

SECTION 1 DISTRICT RIGHTS AND RESPONSIBILITIES

1.1 General

The rights of the District include, but are not limited to, the exclusive right to determine the nature and extent of services to be performed, as well as the right to determine and implement its public function and responsibility; manage and control all property, facilities, and operations of the District, including the methods, means, and employees by which the District's operations are to be conducted; determine the size and composition of the workforce; determine the procedures and standards of selection for employment; relieve its employees from duty because of lack of work, funds, or for other legitimate reasons; maintain the efficiency of governmental operations; determine the content of class descriptions; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and technology of performing its work; and take such other and further action as may be necessary to organize and operate the District in the most efficient and economical manner and in the best interest of the public it serves.

1.2 Management

The management rights of the District to promote, demote, reprimand, suspend, discharge, or otherwise discipline employees for cause are subject to the grievance procedure hereinafter provided.

SECTION 2 EMPLOYEE RIGHTS

2.1 General

Employees of the District shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against by the District or by any employee organization because of exercising these rights.

2.2 Union Rights

The District agrees to withhold Union dues from all union members at an amount to be determined by SEIU 1021 and communicated to the District annually, and SEIU 1021 agrees to provide the District, on a quarterly basis (in January, April, June, and September of each year), a certified list of members and a statement that SEIU 1021 has and will maintain written authorizations signed by the individuals from whose salary or wages the union dues deduction are to be made, and a statement that SEIU 1021 shall indemnify the District from any claims made by the employee for deductions made in reliance on that certification, in accordance with Government Code §1157.12(a).

The parties agree that SEIU 1021 will furnish a copy of signed authorization forms of new employees during the onboarding process to payroll so that payroll can maintain a proper audit trail.

The parties agree that District shall automatically cease deductions for any employee who is no longer employed in a classification represented by the Union.

SEIU 1021 shall indemnify and hold harmless the District, it’s officers and employees, from and against any and all loss, damages, costs, expenses, claims, attorney fees, demands, actions, suits, judgments, and other proceedings arising out of any action resulting from this provision.

2.3 Hold Harmless

Service Employees International Union, Local 1021 shall defend, save, indemnify, and hold harmless the District and its officers, agents, and employees from any and all liabilities and claims for damages from any cause whatsoever arising from, connected with, or on account of enforcing Section 2.2 of this agreement on behalf of the Union.

In addition, Service Employees International Union, Local 1021 shall reimburse the District for any and all costs incurred by the District, excluding legal fees, relating to any dispute arising from the Agency Shop provisions.

2.4 Representatives

SEIU, Local 1021 may select a reasonable number of employee members of such organization to formally meet and confer at scheduled meetings with District representatives on subjects within the scope of representation, during regular work hours without loss of compensation, subject to the following.

- No employee representative shall leave his/her duty or work station or assignment without specific approval of the employee's coach or manager.
- Such meeting is subject to scheduling by District management in a manner consistent with operating needs and work schedule.

Nothing provided herein, however, shall limit or restrict District management from scheduling such meetings before or after regular duty or work hours under appropriate circumstances.

SECTION 3 RIGHTS OF RECOGNIZED ORGANIZATIONS

3.1 Scope

Recognized employee organizations have the right to represent their members, and meet and confer in good faith, concerning all matters relating to employee relations, except that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order, nor shall it include any of the District's rights as set forth in Section 1 hereof.

3.2 Notice

Except in the case of emergency, each affected recognized employee organization shall be given reasonable notice of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the District's Board of Directors and shall be given the opportunity to meet with said body or representative as designated by the Board prior to adoption.

SECTION 4 EMPLOYMENT STATUS

4.1 Employment Designation

4.1(a) Full-Time

A full-time employee shall be scheduled to work a forty (40) hour workweek within a seven (7) day work period. Full-time employees may work an alternate work schedule. Due to changes in the alternate work schedules, full-time employees may, on occasion, work less than a 40-hour workweek with the approval of their coach or work group manager. All benefits are based on full-time equivalent hours unless specified otherwise.

4.1(b) Part-Time

A part-time employee shall be scheduled to work a minimum of twenty (20) hours per week. Part-time employees' benefits (medical, dental, vision, life insurance, and short-term disability) shall be prorated based on their hours worked during the pay period. (All benefits provisions and accumulations provided in the Memorandum of Understanding are based on full-time employment.) Employees working less than thirty (30) hours are not eligible for the long-term disability insurance. All vacation, holiday, HEC, sick and other leaves shall be accrued on a prorated basis.

4.1(c) Casual

A casual employee shall be scheduled to work less than twenty (20) hours per week or is scheduled to work on an as-needed basis which does not exceed an average of twenty (20) hours per week in any six (6) month period. Casual employees shall not be eligible for benefits or accrued leaves.

4.1(d) Temporary

A temporary employee shall be scheduled to work on a full time or part-time basis for a temporary period which will not exceed six (6) months. Temporary assignments may be extended beyond a six (6) month period by mutual agreement between the District and the Union. Temporary employees shall not be eligible for benefits or accrued leaves.

4.1(e) Limited Term

A limited term employee shall be scheduled to work on a full-time basis for a temporary period which is greater than six (6) months but does not exceed two (2) years. The limited term assignment may be extended up to twelve (12) months by mutual agreement between the District and the Union. Prior to recruiting for the limited term appointment, the District shall outline the scope of work which is to be performed and the expected time frame of the limited term appointment. The limited term employee shall be hired using the process which is provided in Section 20 of the MOU. A limited term employee shall receive the same salary and benefits which are provided to a permanent employee in the same classification. In the event the employee is hired for a permanent position without a break in service from the limited term position, the employee shall receive seniority credit for all purposes for the time served in the limited term position.

A limited term employee will be considered an internal candidate for any recruitment which may occur while the employee is working.

4.2 Original Date of Hire

The date the employee begins work for the District.

4.3 Anniversary

The date the employee begins work in a particular position. This is subject to change by personnel action such as a promotion or demotion.

4.4 Years of Service

For benefits related to years of service:

- For Full-Time Employees and eligible Limited Term Employees, the original date of hire will be used to determine years of service.
- For all other employees, years of service will be determined based on the number of hours while in an active employment status, except for eligibility for step increases, which will be based on Original Date of Hire.

4.5 Seniority

Seniority is defined for each employment designation as follows:

- Full-Time Employee – Seniority shall be defined as the employee's original date of hire with the District.
- Part-Time Employee – Seniority shall be based on the number of hours while in an active employment status.
- Casual Employee – Seniority shall be based on the number of hours while in an active employment status.
- Temporary Employee – Seniority shall be based on the number of hours while in an active employment status provided that the employee does not have a break in service between the employee's temporary employment and appointment as a regular employee.
- Limited Term Employee – Seniority shall be defined as the employee's original date of hire with the District, provided that the employee does not have a break in service between the employee's limited term appointment and their appointment as a regular employee.

Seniority is defined as above except as provided herein.

Employees who move from non-bargaining unit positions to bargaining unit positions after March 1, 2007 will have seniority as follows:

- For the purpose of a layoff, seniority is defined as the employee's original date of hire with the District.
- For all other purposes under the Memorandum of Understanding, seniority is defined as the employee's original date of hire with the District minus any hours spent in a non-bargaining unit position.

In the event that a non-bargaining unit employee is involuntarily assigned to a bargaining unit position, the Union and the District will meet and confer regarding the impacts of the assignment.

4.6 Probationary Period

For new employees, the probationary period shall be nine (9) months with three (3) informal check-ins, two (2) prior to six (6) months, and one (1) prior to the end of the eighth (8th) month. Additionally, subject to the conditions contained herein, the probationary period may be extended up twelve (12) months by mutual agreement of the District and the Union. New employees will be provided a performance expectation plan and will have a formal evaluation at six (6) and nine (9) months. If the employee is not provided a performance expectation plan and an evaluation does not occur, the probationary period will not be extended. The Union will be provided notice of any probationary period extension.

Each workgroup will assess the probationary period of their new employee at five (5) months. A joint group of two (2) classified, with direct knowledge of position and person and two (2) unclassified members from the workgroup will determine if a six (6) month probationary period is sufficient, or if the full nine (9) months is required. If the group cannot reach consensus then the Workgroup Manager will make the final decision.

The nine (9) month probationary period will be evaluated after three (3) years to determine effectiveness and may be continued or modified as recommended by a Joint Labor-Management Task Force and approved by side letter agreement.

Probationary employees may use any Sick or Holiday of Employee Choice (HEC) hours granted and vacation leave as accrued.

For promoted, transferred or demoted employees, the probationary period shall be six (6) months. The employee will be provided a performance expectation plan upon promotion/demotion.

After an employee is promoted, if the District determines the employee unqualified at the end of the full probationary period, the employee may be returned to the position previously held. Probation will be waived if the employee returning to the previously held position was a permanent employee under that classification.

4.7 Promotion

A promotion is the result of reassignment of an employee to a position in a class with a higher maximum salary. Since the promoted employee is entering a new position with new duties and responsibilities, the promoted employee embarks on a new probationary period. The promoted employee also is given a new anniversary date which is the effective date of the promotion.

4.8 Transfer

A transfer is the result of a horizontal reassignment to a new position of the same salary but not necessarily the same classification title except as provided in Attachment B.

4.9 Demotion

A demotion is the result of a reassignment of an employee to a position in a class with a lower maximum salary. In this action the employee is assigned a new anniversary date and embarks on a new probationary period unless demoted to a class previously held.

When an employee is unable to satisfactorily meet the requirements of his/her work, he/she may be demoted by the District to a lower classification.

When an employee is involuntarily demoted to a lower position not previously held, such demotion will not replace a permanent employee.

The District may also demote or transfer employees due to lack of work.

When an employee is unable to perform his/her work satisfactorily due to a job-connected injury but is able to perform work satisfactorily in a lower classification, the District may assign the employee to work in the lower classification, although it may mean laying off a permanent employee in that lower

classification who has less seniority. The decision as to the employee's performance ability will be made by the District.

4.10 Temporary Assignments

Temporary job assignments of employees not to exceed thirty (30) continuous days will be made when deemed necessary by the District to augment crews due to work load.

Temporary job assignments of employees exceeding thirty (30) continuous days will be made when deemed necessary by the District to replace employees on any leave or for any reason that is temporary in nature.

Employees available for temporary job assignments will be considered on the basis of both abilities to perform work and seniority.

If two employees have equal ability, seniority will govern.

SECTION 5 COMPENSATION

5.1 Schedule of Salaries

The salary plan shall provide five salary steps for all classes of positions in the classified service. Salary step increases shall be earned, shall be subject to satisfactory service, and shall not be considered a right of the employee. After an employee completes twelve (12) months of continuous service in the same position except as provided in Section 5.1 (a) and 5.4 below, the employee may be advanced to the next higher rate of compensation as set forth in the schedule upon recommendation of the coach and approval of the manager (see provisions of this Section below). After the employee has satisfactorily completed twelve (12) additional months of service at that step, he/she may be advanced to the next step upon recommendation of the coach and approval of the manager. After reaching step 5 (upon recommendation of the coach and approval of the manager), the employee shall remain at the same rate provided for at step 5 while he/she continues to serve in the same position, subject to satisfactory service.

5.1 (a) The salary of an employee who has been promoted will be set at a step in the new range that is at least five percent (5%) above his/her existing salary, but not greater than Step 5 of the new salary range at the time of promotion.

5.1 (b) An employee who is has been promoted within a class series shall be eligible for the next highest salary step in the following manner:

If the employee received an increase of 6% or less upon promotion, the employee shall be eligible for the next salary step increase upon completion of 12 months of continuous service in the new classification.

If the employee received an increase of greater than 6% but no more than 7%, the employee shall be eligible for the next salary step increase upon completion of 15 months of continuous service in the new classification.

If the employee received an increase of greater than 7% but no more than 8%, the employee shall be eligible for the next salary step increase upon completion of 18 months of continuous service in the new classification.

If the employee received an increase of greater than 8% but no more than 9%, the employee shall be eligible for the next salary step increase upon completion of 21 months of continuous service in the new classification.

If the employee received an increase of greater than 9%, the employee shall be eligible for the next salary step increase upon completion of 24 months of continuous service in the new classification.

The employee will be eligible for subsequent step increases, if available, upon completion of each 12 months of continuous service in the new classification.

5.1(c) A new salary schedule will be created based on keeping the current step 5 and adjusting all prior steps, so that there is 5% between steps.

Effective June 6, 2013, the new schedule will apply to classifications in which all employees are currently at step 5, new employees and employees who promote into a new classification.

Employees who are currently at steps 1-4 shall remain on the salary schedule in effect prior to June 6, 2013 until they reach step 5 or promote into a different classification.

5.2 Salary Increases

5.2(a) Salary increases for the term of this MOU will be based upon the Consumer Price Index for All Urban Consumers (CPI-U) on the December to December average. The range for the cost of living adjustments (COLA's) will be 3.25% (Minimum) to 4.5% (Maximum).

5.2(b) Salary adjustments will take place each year during the pay period that includes March 1.

5.3 Equity Adjustments

5.3(a) The following classification will receive a salary equity adjustment to reach the Classified USD Compensation Goal for this contract. The USD Compensation Goal for this contract is defined as the value of half way between the top salary and the average salary as determined by the Salary Survey of Journey-level classifications.

Positions identified as needing an equity adjustment will receive their adjustment upon ratification of the contract.

Classification	**Total Adjustment**
Collection System Worker 1	4.37%
Collection System Worker 2	4.37%
Lead Collection System Worker	4.37%
Collection Services Trainer	4.37%
Mechanic 1	1.52%
Mechanic 2	1.52%
Planner Scheduler 1	1.52%
Planner Scheduler 2	1.52%
Plant Operator 2	1.56%
Plant Operator 3	3.68%
PO Trainer	3.68%

Janitor, Painter, and Utility Worker shall be attached to the Mechanic 2 salary by the percent difference as of March 2018 Salary Schedule.

5.4 Cogen Mechanic

The District and the Union agree to establish a taskforce and continue to meet and confer over compensation for Cogen Mechanics with the following provisions:

1. The Taskforce will consist of the following:
    a. Two (2) FMC mechanics that are trained and/or have worked on the current Cogen engines and the Union President.
    b. Two (2) management personnel and the HR Manager.

2. The group will review and consider the following:
    a. The amount of time spent working on the Cogen engines per year.
    b. Salary survey of comparable positions using the agencies from the 2017 salary survey.
    c. Frequency of overtime to work on and/or support the Cogen engines.

d. Staffing levels.
e. Qualifications.
f. Knowledge, skills, and Abilities (KSA's).
g. Working conditions.
h. Frequency of hours spent outside normal working hours.

3. The intent is that a mutually agreeable solution will be based upon the above topics, but not be limited to the above, if appropriate.
4. The taskforce will develop options and come to a mutually agreeable solution.
5. In the interim, FMC Mechanics will be paid $4.00 per hour while performing the work on the Cogen engines. This $4.00 per hour while performing work shall remain in place until a side letter is approved by Union Membership and the Board of Directors.

5.5 Innovation and Goals Program

5.5(a) The District will allocate $35,000 per fiscal year to fund the Innovation and Goals program.

5.5(b) A joint labor-management task force will be formed to create rules for the Innovation and Goals Program. The program will be made consistent with the guidelines provided by the Negotiating Team.

The Task Force will complete and provide its recommendation(s) to the JLMC. The JLMC will approve any modification to the Innovation and Goals Program.

5.5(c) The program will be evaluated to determine cost effectiveness and may be modified as recommended by a Joint Labor-Management Task Force and approved by the JLMC.

5.6 Plant Operator Salary Progression

5.6(a) In addition to the annual service-based salary increases, Plant Operator III Trainees shall be eligible for the following salary progression:

1. Increase of one (1) step for passing the Grade II Wastewater Treatment Plant Operator exam given by the State Water Resources Control Board.
2. Progression to the Plant Operator II salary schedule, at the appropriate step providing a five percent (5%) increase, for obtaining a Grade II license and meeting the Plant Operator II competency standards.
3. Increase of one (1) step for passing the SWRCB Grade III exam.
4. Promotion to Plant Operator III, at the appropriate step that gives an employee a five percent (5%) increase, for obtaining the Grade III license and passing the Plant Operator III competency standards.

5.6(b) A step increase of one step (up to Step 5) will be provided to a Plant Operator II when he/she passes the Grade III operator licensing exam.

5.6(c) Plant Operator Trainees are exempted from section 5.1(b).

5.7 Salary on Transfer
The salary will be set at the same step in the range of the new classification as occupied in the previous position.

5.8 Salary on Demotion
When an employee demotes to a position from which he/she was previously promoted, he/she will be paid at the rate of the step held in the lower classification at the time of the promotion. This section does not apply to disciplinary action.

When an employee is involuntarily demoted to a position in a lower classification which the employee did not previously hold, the employee will be placed at no less than the same step in the lower classification which the employee held in the classification from which he/she is demoted.

5.9 Temporary/Special Assignment Pay

In the event any classified employee 1) is temporarily assigned to and performs duties in a classification higher than his/her own or 2) performs work that requires higher-level knowledge, skills and ability than their current classification requires and may be temporary or long term, the District will pay the employee in the following manner:

5.9(a) The employee will be paid five percent (5%) above the employee's normal hourly rate or one dollar ($1.00), whichever is greater, but in no case greater than Step 5 of the higher-paid classification, for each hour performing the higher-level work. Qualified back up CS Lead Workers and Planner/Scheduler employees shall be paid ten percent (10%) above the employee's normal hourly rate when performing the work, but in no case greater than Step 5 of the higher-paid position or vacancy currently being filled.

5.9(b) After 60 consecutive calendar days in which the employee works all his/her normally assigned work hours in the same assignment, the employee will be paid at the rate the employee would receive had he/she been promoted to the higher-level classification according to MOU Section 5.1(a), for the duration of the assignment.

Any assignments exceeding 60 consecutive calendar days will be reviewed at the JLMC. For unclassified positions, the first step of the higher class is defined as eighty percent (80%) of the most current Market Survey Average (MSA) for the classification.

5.9(c) In the event an employee performs work which requires certification by an agency outside the District and such work is not required of all employees in the same classification, the employee shall be paid consistent with Section 5.7(a).

Additionally, the employee will be paid consistent with the following schedule for initial certification and recertification. Changes and additions to the schedule will be approved by the JLMC.

Certificate	Initial Certification	Renewal	
Underground storage tanks	$300	$300 (every 2 years)	
Crane Operator*	$600	$600 (every 5 years)	+ $4.00/hr while operating the crane, in lieu of 5.8(a)
Backflow/Cross Connection Prevention	$400	$400 (every 3 years)	
Qualified Applicator**	$250	$100 (every 2 years)	
NASSCO ***	$225	$225 (every 3 years)	

* Certified crane operators will receive $4.00/hour when operating the crane, which includes lifting a load, planning out the lift of a load, rigging the load, setting up the crane for a lift, conducting the pre-trip inspection of the truck, training others/in training, inspecting the truck or performing preventive maintenance, driving to and from job site where the lift will be performed, and stowing truck. If multiple crane operators are on-site and working together to perform the task, then all operators will be paid.

When the truck is on the job site but isn't being used or when the truck is being driven to the repair shop, the employee is not eligible for the $4.00/hour premium pay.

**Certified qualified pesticide applicators shall be paid consistent with Section 5.7(a) when performing work, which includes mixing/loading/transporting chemical, applying pesticide, cleaning up, being trained to maintain license, training others, preparing equipment, stowing truck, keeping records, and storing chemical. If two qualified pesticide applicators are on-site and working together to perform the task, then both will be paid.

When the qualified pesticide applicators are in meetings that are not related to pesticide application, and when they are doing other work that are not related to the pesticide application, they are not eligible for the premium pay.

***In addition to the lump sum payment for the initial certificate and the renewal of the certificate for NASSCO, the District agrees to the following:

- Management reserves the right to determine the appropriate number of employees to receive NASSCO training and receive reimbursement for obtaining and maintaining the NASSCO certificate.
- Management will ensure that all employees who are in the Acting Lead Collection System Worker pool will have the opportunity to receive NASSCO training.
- The District will provide all bargaining unit employees who have a NASSCO Certificate as of April 1, 2014, a lump sum payment of $225

5.10 Team Coordinator Pay

5.10(a) Effective the pay period that includes July 1, 2013; Team Coordinator pay will be $1,000 per year above the employee's regular annual salary, pro-rated and paid each pay period.

5.10(b) In the event that a Team Coordinator is absent for more than 30 days, the TC's responsibilities will be reassigned to another member of the team who will act as back-up TC and receive TC pay while performing TC duties.

5.10(c) At the beginning of the next pay period following return of the TC and resumption of TC duties, the back-up TC will cease receiving TC pay and the original TC will resume receiving TC pay.

5.11 Operations Coordinator and Back-up Operations Coordinator Pay

An employee who is assigned the role of Operations Coordinator (OC) shall be paid an additional 5% above the employee's regular salary while performing OC duties.

If the Operations Coordinator is unable to perform the OC duties, the OC pay will be discontinued at the end of the last shift worked unless the OC works only a partial shift and it is necessary for the Back-up Operations Coordinator to assume the duties of the Operations Coordinator for the remainder of the shift.

The Back-up Operations Coordinator will receive OC pay at the time he or she assumes the role of the Operations Coordinator commencing the next tenth of an hour. OC pay for the Back-up Operations Coordinator will be discontinued at the start of the shift following the regular Operations Coordinator's return to work. The Operations Coordinator will resume receiving OC pay at the start of the shift following his/her return to work.

5.12 Early Step Increase

5.12(a) Upon recommendation of the coach and approval of the manager, employees new to the District and employees who are promoted or transferred may be advanced to the next step in the salary schedule after six (6) months of service in their new classification, if they have demonstrated above average to outstanding performance. If the employee is advanced to Step 2, 3, or 4, the evaluation date will change to reflect the date of the early step increase and will continue to be done annually on that date. If the employee is advanced to Step 5, the evaluation date will remain the same as the date of the promotion or transfer. This section supersedes 5.1(b) regarding evaluation dates.

5.13 Shift Differential

Whenever the District requires work to be performed during the swing and graveyard shifts as stated below, the following will apply.

5.13(a) Employees working a swing shift will be paid a shift differential of 5% of employee's hourly salary.

5.13(b)

1. Employees working a night/graveyard shift will be paid a shift differential of 7% of employee's hourly salary.

2. Beginning March 1, 2007, Plant Operators assigned to night/graveyard shift will receive a salary differential of 12%.

5.13(c) If an Operator is assigned as a single person on shift, the Operator will be paid an additional 2.5% differential for swing shift (total differential of 7.5%) and an additional 3.5% differential for night/graveyard shift (total differential of 15.5%) for all hours worked alone.

5.13(d) Employees regularly assigned to a shift shall be paid shift differential while on vacation or jury duty.

5.13(e) In the event a day shift employee is scheduled to start work prior to the employee's normal start time, the following conditions apply.

1. If the start time is less than 3 hours prior to the employee's normal start time, the employee is not eligible for graveyard differential.

2. If the start time is 3 hours or more prior to the employee's normal start time, the employee will be paid graveyard differential in the following manner:

a. If 5 or more of the hours occur prior to the employee's normal start time, the employee will be paid graveyard differential for all hours worked.

b. If less than 5 hours occur prior to the employee's normal start time, the employee will be paid graveyard differential for those hours prior to the normal start time.

5.14 Paycheck Distribution

5.14(a) District paystubs (sent electronically) and District paychecks (in individual envelopes) will be made available to current, resigning and retiring employees no later than Friday following the close of the pay period, or the 2nd Friday following the close of the pay period for employees whose shift ends on Wednesday.

5.14(b) Employees who are terminated will receive a paycheck at the end of their last day.

5.14(c) Direct Deposit of paychecks is available.

5.14(d) Vacation Paychecks will be made available to employees prior to their leaving on vacation, subject to the following:

- The employee requests a vacation check by submitting a written request to payroll at least two (2) weeks prior to commencing said vacation.
- These paychecks will be available only if the vacation extends beyond the pay periods and the employee is on paid leave on normal paydays.

SECTION 6 HOURS OF WORK

6.1 Hours

6.1(a) A full-time employee shall be scheduled to work a forty (40) hour workweek within a seven (7) day work period. Full-time employees may work an alternate work schedule.

6.1(b) All part-time and casual employees will be required to work the schedule of hours as assigned.

6.1(c) Full-time and part-time employees who work more than five and one-half (5 ½) hours in a workday will have a designated one-half hour unpaid meal period.

6.1(d) Individual employees may vary their starting and ending times with management approval and as long as sufficient coverage is provided during the hours that the District is open to the public.

6.1(e) Additionally, employees may be required to adjust their hours on occasion to meet contractor/project work-hour needs. Employees are expected, if necessary, to adjust daily work hours to provide needed coverage in the absence of another employee in their work group.

6.2 Shifts Defined

A day shift is any full day between 6:00 a.m. and 6:00 p.m. as designated by management. A swing shift is any full day between 3:00 p.m. and 12:30 a.m., as designated by management. A graveyard shift is any full day between 11:00 p.m. and 8:30 a.m., as designated by management. A night shift is any full day between 6:00 p.m. and 6:00 a.m., as designated by management.

6.3 Alternate Work Hour Schedules

6.3(a) Alternate work schedules are defined as daily or weekly schedules which are different from the standard eight (8) hour work-day or five (5) day work-week.

6.3(b) Alternate Work Hour Schedules may be developed by teams through a joint problem-solving process which includes both management and affected employee representatives.

6.3(c) The proposed alternate schedules will address the following areas: safety, productivity, minimal staffing, adequate supervision, customer input and a description of how the work will get done, including staffing for holidays, vacations, sick leave, and overtime. (Teams should use the template provided to submit schedule.)

6.3(d) Schedules must comply with the Fair Labor Standards Act (FLSA).

6.3(e) Management and the Teams will agree on Performance Measures and/or Service Levels including unscheduled leave usage and overtime. Alternate schedules shall not increase the use of overtime or sick leave. The Team will include how agreements will be met in their submittals. Service Level Agreements between affected teams must be in place prior to development of an alternate schedule.

Alternate schedules which are developed by the team will be reviewed by the Executive Team prior to the trial period. In the event that the joint group cannot agree upon an alternate schedule, the decision to work an alternate schedule will be made by management.

6.3(f) Any new schedules will be done a trial basis. Criteria will be developed which will be used to evaluate the schedule at the end of the trial period.

6.3(g) Management will notify the Team when service levels and/or Service Level Agreements are not being met. Notification must include what service levels and/or Service Level Agreements are not being met and the timeframe in which the team must respond. Examples of service levels and/or Service Level Agreements not being met are an increase in leave usage, incomplete work assignments, customer complaints, or jobsite safety violations. Examples of response times required to correct deficiencies and/or meet the service levels and/or Service Level Agreements can vary from one work-day for safety and customer complaints, up to six (6) work-days to develop an action plan which addresses leave usage, staff coverage, and Service Level Agreements.

6.3(h) If the Team does not address management's concerns within six (6) work-days, the team will revert to an 8-hr schedule or another mutually agreeable work schedule.

6.3(i) Teams will be required to do an annual review of their Alternate Work Schedules until the schedule has been in place for a period of two (2) years. After two (2) years on an alternate schedule during which the service level agreements, performance expectations and other criteria have been met, the schedule will not require annual review and will only be addressed if service levels and/or Service Level agreements and/or performance standards are not being met.

6.3(j) Overtime will be assigned as necessary to meet District needs. Assigned work on the employee's alternate work-day off will be compensated as overtime.

6.4 Scheduling and Shift Assignment

6.4(a) Management holds the right to determine minimum daily workforce requirements, which includes qualification/skills and staffing components. Teams may participate in the discussions regarding the determination of minimum daily workforce requirements.

6.4(b) Decisions about how to meet daily workforce requirements will be made by the teams. This includes vacation, holidays, other reasons away from work (e.g., conference and meetings), overtime (who gets it) and shift assignments.

6.4(c) The procedure(s) for deciding overtime, shift assignments and coverage, which includes vacation, holiday, and other reasons away from work, will be determined by the team in accordance with each team's decision-making process.

- The team's procedure must ensure that the District's operational needs are met.
- The team's decision will not be modified more often than once a year.
- The team may incorporate seniority into the procedure.

Management will ensure that the procedure agreed to by the team is followed.

6.4(d) If a team cannot agree on a procedure for shift assignments and overtime selections, seniority will be used to determine the necessary selections.

6.4(e) If a team cannot agree on a procedure for deciding vacation, holiday, and other reasons away from work, the following procedure will be utilized:

- Selection will be made by District seniority.
- To qualify, selections must be made by November 30th of each year, for the following calendar year.
- All selections other than those approved through the procedure outlined above shall be approved, when operational needs permit, on a first-come basis.

6.5 Scheduled Work After Regular Hours

This section applies to scheduled work and does not apply to emergencies or disaster response, which is covered by other sections of this MOU.

6.5(a) Work Hour Restrictions

1. An employee may work greater than 16 hours when approved by District management. Employee must notify District management as soon as possible but no later than 2 hours before reaching the 16-hour mark.
2. Commercial drivers assigned driving duties shall not be scheduled to operate a commercial vehicle more than 12 hours and may not operate a commercial vehicle more than 16 hours.
3. An employee must be given a minimum 9-hour rest period between shifts. This provision excludes TPO Operators which require an 8-hour minimum rest period.

6.5(b) Work Hours and Compensation for Change in Shift

1. For the purpose of this section, a shift change shall be defined as a scheduled change from the employee's normal shift to a shift which starts 4 or more hours before their normal start time.

2. When an employee is required to make a shift change to conduct scheduled work on a graveyard shift, the employee will earn two and one-half (2.5) hours of vacation for each scheduled event in which the employee participates. Events may be a single day or multiple days. If the scheduled event is cancelled before the employee reports to work, the employee will not receive the vacation credit.

3. If an employee receives less than 48 hours' notice for the scheduled work requiring a shift change, the employee will receive an additional 3 hours of compensation at their normal rate of pay.

4. If an employee leaves his day shift early for the rest period prior to the night shift work and has worked less than his/her normal shift hours, the District will allow the employee to use Administrative Leave to complete his/her shift for that day.

5. If the night shift work is completed before the employee completes his/her normal scheduled number of work hours, the District will make additional work available for the employee so that he/she may work a full shift. If the employee chooses to go home early, he/she will be required to use vacation, HEC, or AWIP leave to complete a full shift.

6. Employees will receive shift differential in addition to the above.

6.6 Rest Periods – Unscheduled Work

When an employee is called back to work and completes the unscheduled work within 7 hours of his/her scheduled shift, the employee will be provided with a 9-hour rest period before their next work assignment. Before leaving work, the employee will notify their Coach that they are taking a rest period. Before returning to work, the employee will contact their Coach.

If there are at least 3 hours remaining in their regular shift, the employees will work the remainder of the shift and the balance of hours will be made up by Paid Administrative Leave. If the employee requests not to return to work, and the Coach agrees, the employee may utilize discretionary leave for the remaining hours in their regular shift.

If there are less than 3 hours remaining in their regular shift, the employee will not return to work. The coach may reassign the remaining hours to be worked on another day(s) during the same work week or the employee may use discretionary leave for the remaining hours, if the Coach agrees. The balance of the hours will be Paid Administrative Leave. If additional hours or assignments are not available, the Coach may elect to pay all of the remaining hours with Paid Administrative Leave.

In the event that the employee is called back to work within two (2) hours of the start of the employee's normally scheduled shift, the employee shall remain at work and complete the shift and the employee shall not be eligible for a rest period.

6.7 Plant Operator Shift Reassignment

6.7(a) In making reassignments from one shift to another, assignments shall be made on the basis of seniority and skills. If employees have relatively equal skills, seniority will govern.

6.7(b) Employees shall be given at least one (1) week notice of reassignment, whenever possible.

6.7(c) The provisions of this section shall be implemented only should there be a vacant permanent position on a shift, at which time this section shall control said assignment procedure. This provision shall not limit the District's rights to reassign said employees on a temporary basis or for training purposes.

6.8 Construction Inspectors Weekend Hours
Construction Inspectors scheduled for weekend duty shall be scheduled for a minimum of three (3) hours.

6.9 Cleanup Time
Employees who, in the course of their job assignment, perform work which necessitates cleanup will be allowed ten (10) minutes cleanup time prior to the end of that shift.

6.10 Rest Periods
Rest periods shall be for a period of fifteen (15) minutes during the work period before the meal period and for a fifteen (15) minute period during the work period after the meal period provided, however, rest

periods are not scheduled during the first or last hour and one-half (1-1/2) of such periods of work. These hours may be changed at the discretion of management. Employees will not be permitted to leave the location of their work for the purpose of these rest periods.

In the event that overtime following the close of shift is determined by management to involve one (1) or more hours, a fifteen (15) minute rest period will be granted prior to the start of said overtime. A fifteen (15) minute rest period will be granted for each two (2) hours of overtime worked.

6.11 Vehicle Use During Lunch

Employees on jobs in the field who desire to purchase food or non-alcoholic beverages will be permitted to use a District vehicle, if available, for that purpose during their lunch period.

Due to the nature of work at the wastewater treatment plant, employees in the operating groups are provided with uniforms that frequently become soiled in the course of performing their jobs. Such employees may use one District vehicle to make a single trip for the purpose of purchasing lunch. The use of more than one District vehicle during the lunch period for such purpose will result in the loss of this privilege. All other employees who wish to purchase food off-site during the lunch period are expected to use their own vehicles to do so.

SECTION 7 OVERTIME

7.1 Overtime

7.1(a) Work performed in excess of forty (40) hours in the workweek; and work performed in excess of eight (8) consecutive hours in one (1) day or work performed in excess of the employee's normal scheduled day, whichever is greater (exclusive of the meal period and alternate work schedules), shall constitute overtime. All hours in paid status shall constitute hours worked for the purpose of calculating overtime. The overtime rate will be one and one-half (1.5) times the straight-time regular rate from the end of your scheduled shift and the 16-hour mark. Any work in excess of 16 hours is paid at a rate of two (2) times the straight time regular rate.

7.1(b) Overtime will be performed by the employee regularly assigned to the work involved. Crews will be augmented, when deemed necessary by management, to include other employees qualified to perform the work involved.

7.1(c) Whenever possible, the District will endeavor to provide employees with an equal opportunity for overtime work. Teams may develop agreements consistent with this provision.

7.2 Flex Time

7.2(a) Flex Time is eliminated to ensure compliance with labor law. All employees will receive an additional 10 hours to their Holiday of Employee's Choice (HEC) bank due to the elimination of Flex Time. Upon contract adoption, the employee's Flex leave will be converted to vacation leave. If vacation balance is at the maximum limit, the Flex hours will be cashed out.

7.3 Payment of Overtime

Payment of overtime will be made at the end of the pay period following the pay period in which the work was performed.

7.4 Holiday Overtime

Any work performed on a holiday as specified in this MOU shall be paid at the rate of time and one-half (1.5) the regular rate of pay, plus holiday pay.

A rotating schedule employee who performs work on a holiday as outlined in Section 8.2(a) shall be compensated at the rate of one and one-half (1.5) for all hours worked. Additionally, the employee shall receive eight (8) hours of holiday pay. Employees who work Thanksgiving, Christmas and New Year's Day may convert up to twelve (12) hours at the straight time rate to time off subject to the HEC rules.

7.5 Call-Back Pay

If an employee who has completed his/her normal shift for the day is called back to work after the end of shift, the employee shall, upon reporting for a scheduled call back and upon notification for an unscheduled call back, receive a minimum of two (2) hours' work at the overtime rate (time and one-half) or, if two (2) hours' work is not furnished, a minimum of two (2) hours' pay at the overtime rate. Employees called back to work on a holiday shall receive a minimum of three (3) hours' pay at the overtime rate. This provision does not apply to instances in which the employee is scheduled to report before the employee's regular starting time and is held at the work site from the time the employee reports until the end of the employee's normal shift.

7.6 On-Call Duty

7.6(a) Compensation

Workers assigned on-call duty will receive additional pay, at Step 5 of the employee's classification, of one and one-half hours per weeknight (3:30 p.m. to 7 a.m.), two and one-half hours per Saturday (7:00 a.m. Saturday to 7:00 a.m. Sunday), and three hours per Sunday and holiday (7:00 a.m. to 7:00 a.m. the following day) except for Plant Operators as provided in 7.6(d) below.

7.6(b) Collection System Workers

1. On-call duty will be assigned to all eligible and qualified Collection System Workers on an equal opportunity basis by the Collection Services management.

2. All Collection System Workers will be required to take on-call duty. When assigned on-call duty, if it is not feasible for the employee to take calls, for whatever reason, it is the employee's responsibility to find another qualified employee to take his/her on-call duty. Specific procedures are contained in the Collection Services On-Call Policy and Procedure.

3. If the assigned employee misses an assignment by reason of absence from work, assignment from other Collection System Workers will be made at the discretion of management. Collection System Workers assigned to on-call duty will be issued a beeper during the week they are assigned. Weeknight on-call begins each day after shift ends and weekend on-call (Saturday, Sunday, or holiday) is from 7:00 a.m. to 7 a.m.

7.6(c) Mechanics and Instrument Technicians/Electricians

1. On-call duty will be assigned to all eligible and qualified Mechanics and Instrument Technicians/Electricians, as outlined in USD Policy #6940. Separate lists will be established for Instrument Technicians/Electricians and Mechanics. One (1) Mechanic and one (1) Instrument Technician/Electrician will be scheduled for each on-call period. Management, consistent with Team agreements, will assign on-call duty. On-call duty will be assigned only during hours when employees are not regularly scheduled to work. An employee who is off work due to vacation, sick leave or other time off will not be assigned on-call duty on their day off.

2. In the event an employee on-call is called out and resolves the call out by telephone, the employee shall be compensated for a minimum of thirty (30) minutes or actual time worked at the overtime rate (time and one-half).

3. When the employee exceeds the minimum call out, the employee will be compensated at the rate of time and one half (1.5) for all hours worked.

4. Mechanics and Instrument Technicians/Electricians responding to call out may respond directly to the site in their own vehicle or may respond to the plant, get a District vehicle and drive to the site of the problem.

5. In the event that an employee has an accident when responding to a remote site in his/her own vehicle and it is determined that the employee was not at fault, the District will reimburse the employee for the cost of the employee's deductible, up to $1000.

6. In the event that the number of Instrument Technicians/Electricians (ITEs) available for on-call duty is projected to drop below 4, for a period exceeding 4 weeks, the following procedure shall be followed.

A group of management and union employees, to be named by the JLMC, will meet to review implementing one or more of the following options:

1) Eligible ITEs that are on call for two weeks or more within two pay periods will receive one (1) hour of vacation credit per day of on-call for the second week. Eligible ITEs may split an on-call week.
2) Utilize a probationary employee in the rotation, if the employee is technically capable (determined by management), and utilize the Coach having electrical/instrumentation background (qualified Coach) as a back-up to respond to the call out.
3) Train and utilize a current USD employee with electrical background to be on-call with the qualified Coach as a back-up.
4) Hire a journey level electrician from outside the District to serve as a limited term employee, who would be trained in District specific equipment and work at USD and be on-call. Qualified Coach would be the back-up.
5) Include the qualified Coach in the rotation for on-call.
6) Train a current USD employee to troubleshoot specific equipment that may lead to frequent call-outs.

Selection of an option will be based on consideration of the following:

- Availability of eligible staff
- Anticipated duration of period with less than 4 staff available for on-call duty
- Workload during the period
- Vacation schedules

If the group is unable to agree on an option, Option 1 will be used.

7.6(d) Plant Operators

1. On-call duty will be assigned to all eligible and qualified Operator III's on an equal basis by the Treatment and Disposal Services management staff. On-call duty will be assigned during those shifts where only one (1) employee with a Grade III certificate is scheduled on duty.

2. Operators who are scheduled to work the twelve (12) hour shift are given the option to be assigned to carry a pager, or provide two (2) numbers they can be immediately reached at under the mandatory on-call system will receive additional pay at the Operator III classified range Step 5, of two (2) hours per on-call shift on Monday through Friday and three (3) hours per on-call shift on Saturday, Sunday and holidays.

3. Operators who are scheduled to work a shift other than twelve (12) hours and are assigned to carry a pager, or have provided two (2) phone numbers they can be reached immediately at under the mandatory on-call system will receive additional pay at the Operator III classified range Step 5, of one and one half (1.5) hours per standby shift on Monday through Friday, two and one-half (2.5) hours per on-call shift on Saturday and three (3) hours per on-call shift on Sunday and holidays.

4. All Operator III's are required to take on-call. On-call duty will initially be assigned on a quarterly basis at the same time that vacation is assigned, and as needed thereafter. When assigned on-call duty, if it is not feasible for the Operator III to take the calls, for whatever reason, it's the employee's responsibility to find another qualified Operator III to take

his/her on-call duty. Specific procedures are contained in the Treatment and Disposal Workgroup On-Call Assignment Procedure.

5. Operator III's who are assigned on-call duty and are required to report to work will receive overtime pay at the rate of time and one-half (1.5) if any of the following conditions are met:

1) The Operator III works more than 40 hours in the designated workweek;
2) The Operator III is required to work 3 consecutive on-call shifts in a row; or
3) The Operator III would not receive 8 hours off between the on-call shift and his/her normal work shift.

6. Any Operator III who is assigned to on-call duty and is required to report to work will receive a minimum of 8 hours off/rest at the completion of the call-back shift.

7. Any Operator III who is required to work five (5) consecutive twelve (12) hour shifts within a period of five (5) calendar days may request a schedule change that provides for time off for the period of twenty-four (24) hours after the completion of the five (5) consecutive shifts. The Operator shall provide the Treatment and Disposal Coach notice at the start of the fifth consecutive shift or twenty-four (24) hours' notice, whichever is longer, of their desire for time off. The Treatment and Disposal Coach shall provide the requested time off and may approve an additional time up to forty-eight (48) hours if operational needs permit.

7.7 Meal Allowance

Effective June 6, 2013 the meal allowance paid by the District is $10.00. Effective January 1, 2015 the meal allowance paid by the District will be $12.00. Employees will be eligible for a meal allowance after completion of the first two (2) hours of overtime worked immediately prior to or after the scheduled shift of the employee. Employees will be eligible for the meal allowance for each subsequent continuous four (4) hours of overtime worked after completion of the first two (2) hours of overtime described above.

All scheduled overtime shifts on the employee's day off will be based on eight (8) hour days. An employee will be eligible for a meal allowance after completion of the first two (2) hours of overtime prior to or after the scheduled eight (8) hour overtime shift.

Employees called out on unscheduled overtime will be eligible for a meal allowance after completion of four (4) hours of overtime worked and for each subsequent continuous four (4) hours thereafter.

7.8 Mileage Allowance

Employees who use their own vehicle in the conduct of approved District business shall be reimbursed per mile at the current IRS mileage rate. Also, those employees who are called back to work not in conjunction with their assigned shift, shall be reimbursed per mile at the current IRS mileage rate.

SECTION 8 HOLIDAYS

8.1 Holidays for Monday through Friday Schedule

8.1(a) Schedule

The following holidays are allowed for all employees working a Monday-Friday schedule, with pay. If a holiday falls on a Saturday, the previous Friday will be the observed holiday. If a holiday falls on a Sunday, the following Monday will be the observed holiday. When the Christmas and New Year's holidays fall on Friday and Saturday, Thursday and Friday will be the observed holidays. When Christmas and New Year's holidays fall on Sunday and Monday, Monday and Tuesday will be the observed holidays.

Holiday	2018/19	2019/20	2020/21	2021/22
Independence Day		07/04/19	07/03/20	07/05/21
Labor Day		09/02/19	09/07/20	09/06/21
Thanksgiving Day		11/28/19	11/26/20	11/25/21
Day After Thanksgiving		11/29/19	11/27/20	11/26/21

Holiday	2018/19	2019/20	2020/21	2021/22
Christmas Eve		12/24/19	12/24/20	12/23/21
Christmas Day		12/25/19	12/25/20	12/24/21
New Year's Eve		12/31/19	12/31/20	12/30/21
New Year's Day		01/01/20	01/01/21	12/31/21
M.L. King's Birthday		01/20/20	01/18/21	01/17/22
Presidents' Day		02/17/20	02/15/21	02/21/22
Memorial Day	05/27/19	05/25/20	05/31/21	05/30/22

8.1(b) Holiday of Employee's Choice (HEC)

In addition to the above holidays, each employee covered by this section shall be entitled to 26 hours of Holiday of Employee's Choice (HEC), per fiscal year, scheduling of HEC is subject to the approval of management. HEC must be taken during the fiscal year and may not be carried over from one fiscal year to the next. The employee's unused HEC will be transferred to the employee's Catastrophic Leave Bank.

Time off for urgent personal business may be deducted from accrued vacation leave or Holiday of Employee's Choice. See Section 9.3 on Urgent Personal Business.

Due to the elimination of Flex Time, employees received an additional 10 hours of HEC, increasing the previous allotment from 16 hours to 26 hours per fiscal year.

8.2 Holidays for Rotating Schedule

8.2(a) Schedule

The following holidays are recognized for all employees working a rotating day-off schedule. For the purpose of this section, the dates selected to observe holidays reflect the actual date of national observance.

Holiday	2018/19	2019/20	2020/21	2021/22
Independence Day		07/04/19	07/03/20	07/05/21
Labor Day		09/02/19	09/07/20	09/06/21
Thanksgiving Day		11/28/19	11/26/20	11/25/21
Day after Thanksgiving		11/29/19	11/27/20	11/26/21
Christmas Day		12/25/19	12/25/20	12/24/21
New Year's Day		01/01/20	01/01/21	12/31/21
Memorial Day	05/27/19	05/25/20	05/31/21	05/30/22

8.2(b) Holiday of Employee's Choice (HEC)

In addition to the above holidays, each employee covered by this section shall be entitled to 58 hours of Holiday of Employee's Choice (HEC) per fiscal year, scheduling of HEC is subject to the approval of management.

Employees will schedule at least 40 hours of HEC by December 31 and all remaining HEC by March 31. "Scheduled" does not mean "taken" by said date.

At the end of the fiscal year an employee may be entitled to receive reimbursement for up to thirty-two (32) hours of HEC at one and one-half times the regular rate of pay provided that the employee was unable to take the HEC as time off. A maximum of 16 hours of any remaining HEC will be transferred to the employee's Catastrophic Leave Bank. See Holiday of Employee's Choice Policy and Procedure #5650.

Time off for urgent personal business may be deducted from accrued vacation leave or Holiday of Employee's Choice. See Section 9.3 on Urgent Personal Business.

Due to the elimination of Flex Time, employees received an additional 10 hours of HEC, increasing previous allotment from 48 hours to 58 hours per fiscal year.

SECTION 9 VACATION LEAVE

9.1 Vacation

Vacation leave will be accrued per pay period by all full-time employees at the following rates.

Years of Service	Hours Per Pay Period	Days Per Year
Date of Hire to End of Year 3	3.0800	10
Beginning of Year 4 to Year 9	4.6160	15
Beginning of Year 10	4.9280	16
Beginning of Year 11	5.2320	17
Beginning of Year 12	5.5440	18
Beginning of Year 13	5.8480	19
Beginning of Year 14	6.1600	20
Beginning of Year 15	6.4660	21
Beginning of Year 16	6.7680	22
Beginning of Year 17	7.0800	23
Beginning of Year 18	7.3840	24
Beginning of Year 19 and on	7.6960	25

9.2 Urgent Personal Business

Time off for urgent personal business, when approved by management, will be deducted from accrued vacation leave or Holiday of Employee's Choice, at the employee's option, in a minimum of one (1) hour increments.

9.3 Carry-Over

Vacation leave will be permitted to be carried over from one year to the next, with the maximum vacation leave accruable equal to the employee's current yearly rate plus fifteen (15) days.

9.4 Additional Carry-Over

Notwithstanding the provisions above, employees may submit a request for additional carry-over. The General Manager or his/her designee will consider these requests and render a decision thereon within ten (10) working days. The decision of the General Manager will be final.

9.5 Vacation Sell-Back

Employees accruing vacation at a rate of fifteen (15) or more days per year may sell back to the District a maximum of forty (40) hours of accrued vacation (using whole hour increments only) per fiscal year. Reimbursement shall be made by multiplying the employee's current hourly rate times the number of hours to be sold.

SECTION 10 SICK LEAVE

10.1 Accrual

10.1(a) Sick leave will be allocated in a lump sum at the beginning of the fiscal year. For employees hired after July 1, sick leave will be prorated based on the employee’s date of hire.

10.1(b) The annual ninety-six (96) hours of sick leave will be divided into two portions: sixty-four (64) hours will be placed in the employee’s sick leave account and thirty-two (32) hours will be placed in the employee’s Catastrophic Leave Bank.

10.1(c) A Catastrophic Leave Bank will be created for each employee. The leave hours that accumulate in this account may be exchanged for additional service credit upon retirement with PERS.

10.2 Use of Sick Leave

10.2(a) Employees can use up to sixty-four (64) hours of sick leave annually for their own sick leave needs or for the sick leave needs of their immediate family. These sixty-four (64) hours will be the first sixty-four (64) hours of sick leave used each year except as provided herein. When an employee has thirty-six (36) or fewer hours in his/her sick leave bank and the employee has

time off due to a Family Medical Leave Act (FMLA) / California Family Rights Act (CFRA) qualifying event due to his/her own illness or the illness of a family member, the employee may use Catastrophic Leave and retain any remaining sick leave in his/her sick leave bank. Sick leave taken in excess of sixty-four (64) hours that does not meet the criteria for Catastrophic Leave will be deducted from the employee's earned leave balances (vacation or HEC) or will be without pay at the discretion of the employee. Sick leave without pay in excess of thirty-two (32) hours annually is subject to Section 16.

10.2(b) Whenever possible, employees should schedule routine appointments outside of normal working hours.

10.3 Use of Catastrophic Leave for Employee Illness/Injury

Use of Catastrophic Leave for Employee Illness/Injury is subject to the following requirements:

10.3(a) Must be for an employee's serious health condition which qualifies under the FMLA/CFRA. A physician must complete the FMLA/CFRA paperwork and excuse the employee from work.

10.3(b) If an employee has greater than five hundred (500) hours in their Catastrophic Leave Bank and has an acute injury or illness for which the employee has verification by a licensed medical professional that the injury or illness required constant documented medical supervision, but the employee cannot obtain FMLA/CFRA authorization, the employee will be permitted to use Catastrophic Leave. Catastrophic Leave Bank usage outside of an approved FMLA case will be subject to attendance policy (#5110)

10.3(c) If an employee has greater than five hundred (500) hours in their Catastrophic Leave Bank, they may access those hours immediately once the event is deemed FMLA/CFRA qualifying. Section 10.2(a) does not pertain to these individuals.

10.4 Use of Catastrophic Leave for the Serious Illness of a Family Member

Use of Catastrophic Leave for the Serious Illness of a Family Member is subject to the following requirements:

10.4(a) Must be a qualifying event under FMLA/CFRA.

10.4(b) Physician must complete FMLA/CFRA paperwork and excuse the employee from work.

10.4(c) Employee must match leave from his/her Catastrophic Leave Bank on the basis of two (2) hours of Catastrophic Leave for every hour of earned leave or leave without pay at the discretion of the employee.

10.4(d) Family member is defined as follows:

- A spouse is a partner in marriage as defined in the Family Code Section 300.
- A domestic partner is a registered domestic partner as defined in California Family Code 297.
- A child is a biological, adopted, foster, stepchild, legal ward or child of a domestic partner who is either under the age of 18 or is an adult dependent child. An adult dependent child is one who is incapable of self-care because of a mental or physical disability. The child must meet the Internal Revenue Service standard for dependent children.
- A parent includes a biological, foster, adoptive, stepparent, legal guardian, or person who stood *in loco parentis* to the employee when the employee was a child.

10.4(e) Use of Catastrophic Leave for Bonding

An employee may take up to a total of 160 hours paid time off for bonding leave. The employee must use two (2) hours from their Catastrophic Leave Bank with every one (1) hour from their earned leaves or leave without pay at the discretion of the employee. (See Policy # 5640 FMLA/CFRA for maximum number of hours available for bonding leave.)

10.5 Verification

Absence due to routine doctor, dentist and medical appointments may require evidence satisfactory to the District. A doctor's certificate or other proof of illness may be required after the third consecutive day of absence on paid sick leave.

10.6 Notice

An employee requesting sick leave shall inform management of the fact and the reason thereof no later than the beginning of the shift on the first day of an illness, except that Plant Operators shall inform management at least one hour prior to the beginning of their assigned shift, if possible.

The employee will also inform management of the length of the anticipated absence. Management will reasonably specify how often the employee must call in.

If serious illness or injury prevents the employee from calling in, "notice may be given by the employee's spokesperson (e.g., spouse, adult family member, or other responsible party) if the employee is unable to do so personally." 29 CFR 825.§303.

10.7 Sick Leave Conversion

All unused hours of the 64 hours placed in the employee's sick leave account in the last pay period of the payroll fiscal year will be rolled into the employee's CAT bank.

10.8 At Work Hours Incentive Program

10.8(a) All classified employees employed as of the first pay period of the payroll fiscal year are eligible to receive incentive awards.

10.8(b) For purposes of determining the amount of sick leave used during the payroll fiscal year, any leave designated as sick will be included.

Note: Short term disability will not be considered as part of sick leave.

10.8(c) Employees will receive the following awards based on their sick leave hours used each fiscal year. Time off must be used within 12 months or will be forfeited.

SL Hours Used	Option 1: Time Off and Cash Payment	Option 2: Cash Payment Only
0-12	8 hours + $500	$1,000
13-24	6 hours + $375	$750
25-32	4 hours + $250	$500

SECTION 11 FAMILY AND MEDICAL LEAVE ACT (FMLA) / CALIFORNIA FAMILY RIGHTS ACT (CFRA)

We comply with state and federal law.

SECTION 12 HEALTH AND WELFARE

12.1 Medical Insurance

The District will provide a group health insurance program to all eligible employees and dependents through the Public Employees' Retirement System (PERS) Public Employees' Medical and Hospital Care Act.

12.2 Group Dental Plan

The District will provide a group dental plan for all eligible employees and dependents. The plan will be the Delta Group Dental Plan or equivalent, including a $1,500 per year maximum amount and a $1,500 maximum, 50% coverage orthodontics plan.

12.3 Preventive Medical Treatment

The District will arrange and pay for any preventive medical treatment that it requires the employee to have, including inoculations for tetanus and typhoid, as well as booster shots, as needed.

The District will also pay for employee inoculations for influenza upon request of the employee.

12.4 Group Vision Plan

The District will provide a group vision plan for eligible employees and dependents. The plan will be Vision Service Plan ($5.00 deductible) or equivalent or what the parties determine by mutual agreement.

12.5 Life Insurance

Each eligible District employee will receive a $50,000 term life insurance policy. The employee's dependents will be covered for life insurance of $5,000. The District will pay the life insurance premiums for employee and dependents.

12.6 Employee Benefits Account

12.6(a) The District will establish a benefits account for each active employee eligible for medical coverage who has enrolled in one of the PERS medical insurance plans offered by the District. Monthly contributions based on the number of eligible dependents will be placed by the District into the employee's benefits account, which may only be used for medical insurance, dental insurance, and vision care premiums. These amounts include the Minimum Employer Contribution (MEC) as stipulated by PERS.

12.6(b) The District shall not treat this payment as compensation subject to income tax withholding or reporting unless the Internal Revenue Service or Franchise Tax Board indicates that such contributions are income subject to taxation. Each employee shall be solely responsible for any federal, state, or local tax liability arising out of the implementation of this section.

Designation	Effective 02/26/19	Effective 01/01/20	Effective 01/01/21	Effective 01/01/22
Employee only	$1,087.98	$1,120.62	$1,165.45	$1,212.07
Employee + 1	$2,141.73	$2,205.99	$2,294.23	$2,386.00
Employee+ Family	$2,633.75	$2,712.76	$2,821.28	$2,934.13

12.6(c) The minimum monthly employee contribution towards medical shall be in accordance with the table below:

Employee Only	$20.00
Employee + 1	$30.00
Family	$40.00

If employees select plans that are more expensive than District contribution, employees are responsible for paying the difference.

12.6(d) Employees may not elect to take this benefit as cash. If any employee chooses a medical plan that is more expensive than the total amount available as provided for in this section, the employee must pay the difference via a payroll deduction.

12.6(e) If an employee has proof of coverage under a spouse's or registered domestic partner's or the employee's own United States military plan, the employee may opt to waive medical coverage. In such case, the employee will be paid the following amounts each month, based on the plan level for which the employee is qualified.

Employee only	$ 150
Employee + 1	$ 300
Employee + family	$ 400

12.6(f) Medical plan payments for employees in an unpaid leave status will be made by the District in conformance with the PERS medical plan guidelines and the provisions of the FMLA and the CFRA.

12.6(g) Employees on an unpaid leave of absence for less than 10 working days (80 hours), or employees on a disciplinary suspension for less than ten (10) working days (80 hours), shall not be subject to a pro-rata reduction for the period of said absence.

12.7 Section 125 Plan

The District offers a 125 Plan for classified employees, whereby employees may contribute pre-tax dollars for dependent care and unreimbursed medical expenses. This 125 Plan will follow the regulations outlined by the IRS.

12.8 Deferred Compensation

The District has established a deferred compensation program, which employees may participate in on a voluntary basis. The District will match an employee's contributions to their deferred compensation account up to the amount indicated in the table below on an annual basis. An employee must make contributions in the same amount as the District's match to be eligible. Matching amounts are the maximum annual amount of the District's contributions.

Calendar Year	Matching Contribution by District
2019	$125
2020	$250
2021	$375
2022	$500

12.9 Workers' Compensation

12.9(a) Workers' Compensation Insurance

1) Workers' Compensation Insurance is carried by the District at no expense to the employee.

2) Each employee who suffers an injury or illness during working hours must notify management at once, unless the employee is physically unable to do so. If the injury is undetected, the employee will immediately notify management upon detection of injury.

3) Each employee who is unable to work as a result of what is believed to be a job-connected injury or illness must visit a doctor for examination. Necessary forms will be prepared and submitted by the District to the District's workers' compensation insurance claims administrator. If it is determined that the injury or illness is job-connected, no deduction will be made from the employee's sick leave and he/she will be paid his/her rate of pay. When the injury/illness is certified by the District's workers' compensation insurance claims administrator as arising out of and in the course of employment by Union Sanitary District, the employee shall be paid an amount which, together with Workers' Compensation benefits, shall equal his/her rate of pay. In no case shall the employee receive an amount greater than his/her classified rate of pay. These District payments will be continued for a period up to six (6) months (1040 hours) for any one (1) injury or illness. Classified rate of pay will be provided by the District during any waiting period before disability compensation is payable.

4) After 360 hours of job-connected injury or illness leave time off, any additional time off will run concurrently with FMLA/CFRA leave.

5) After the sixth (6th) month of incapacity, the employee's accumulated sick leave time shall be charged until exhausted as based proportionately upon the difference between his/her rate of pay and the Workers' Compensation benefits to which entitled.

6) The District reserves the right to have the employee examined by District doctors at any time(s) following a reported job-connected injury or illness for determination of the employee's ability to return to work.

The decision of the doctor(s) will be final.

Note: Examinations (during the first thirty [30] days after a job-connected injury) by a District-selected doctor will in no way interfere with an employee's right to be seen by his/her doctor if the employee, prior to injury, has given the District written notice of the name and address of his/her doctor. Examinations by a District-selected doctor will be in addition to examination by the employee-designated physician.

7) Notwithstanding the foregoing provisions, such payments shall not be made to any employee
- who does not apply for or who does not receive temporary disability benefits under the Workers' Compensation law
- whose injury or illness has become permanent
- who is retired on a permanent disability or pension
- who refuses to accept other District employment for which he/she is not substantially disabled.

8) Any employee bringing action against a third party to recover for injuries or disabilities for which Union Sanitary District has made payments of salary compensation shall forthwith give the District notice of such action, and thereafter Union Sanitary District shall be entitled to reimbursement arising out of any recovery made by the employee in such action or amounts paid for salary or compensation during the employee's disability.

12.9(b) Limited Duty

1) Modified work assignments for job-connected injuries/illnesses will be considered after receipt of adequate medical information regarding the employee's physical limitations. It is mandatory for employees with job-connected injuries/illnesses who have been released by their own treating physician and the District's doctor to perform assigned work within the prescribed parameters set by the medical provider.

2) a. Limited-duty assignments will be considered first for job-connected injuries/illnesses.

b. Only if there is sufficient work will employees returning from being off on extended sick leave for non-job-related injuries/illness be assigned limited duty (per their physical limitations), unless the employee possesses knowledge, skills, and abilities to perform a limited-duty assignment not possessed by an employee off on job-connected injury/illness.

c. Section 12.9(b) 2 a. and b. above will determine which employees are assigned limited duty. If two employees are equal with regard to a and b above, then seniority will be the tie-breaker. This rule will also apply to situations in which a less senior employee has been given a limited-duty assignment prior to the availability of a more senior employee for limited duty.

3) Prior to return to full duty, the employee may be required to obtain a release from the District's doctor(s).

12.10 Disability Insurance Programs

12.10(a) Long-Term Disability

The District will provide a long-term disability (LTD) insurance program for each employee.
- Coverage begins ninety (90) calendar days from the onset of disability for disabilities approved by the District's long-term disability insurance provider.

- Effective July 1, 2013 the maximum insured monthly salary is $7,000 with a maximum benefit of $4,667 per month.
- District will pay the premiums for employee and dependent health and welfare benefits pursuant to Section 12.6 of the MOU for a period of up to six (6) calendar months.

12.10(b) Short-Term Disability

- The District will provide a self-funded short-term disability insurance program for each employee, structured along the same guidelines as California State Disability Insurance. Represented employees who have a non-work-related, short-term disability as certified by a licensed medical practitioner are eligible to receive benefits after the seventh consecutive day of disability. Coverage for pregnancy-related disability shall be the same as covered under State Disability Insurance.
- Coverage will be for two-thirds (2/3) of salary to the maximum per week allowed by the State Disability Insurance Fund. The employee must use leave balances to supplement the short-term disability payments. Sick leave shall be used first, then all other available leaves.
- The maximum duration of benefits shall not exceed the waiting period per the District's LTD policy.
- Between the 61st and 90th day of disability, in the event the employee has exhausted all leaves, the District will supplement the short-term disability payments up to a total of 2/3 of salary. (The maximum insured monthly salary is $7000 with a maximum benefit of $4667 per month.)
- The District will pay the premiums for employee and dependent health and welfare benefits for the period during which the employee receives short-term disability insurance payments.

12.11 Employee Assistance Program

The District will provide a qualified Employee Assistance Program to assist employees and dependents in successfully handling various normal life stresses, including problems related to work, personal relationships, and major life changes. If the current contractor's service is terminated, the District shall provide the service through another contractor mutually agreed upon by the Union and the District.

SECTION 13 MILITARY DUTY

An employee will be allowed military service leave for active duty, in accordance with the provisions of the Military and Veterans Code of the State of California. Leave of absence with pay will be granted to an employee required to report for Selective Service Physical Examination. The District will make whole employees who are on regular (annual) military leave, but no employee shall receive more than his/her regular pay

SECTION 14 JURY OR SUBPOENAED WITNESS DUTY

The District will grant employees time off work without loss of pay for Jury or Subpoenaed Witness Duty unless it involves personal business.

SECTION 15 FUNERAL LEAVE

15.1 The District will grant a paid leave of absence to full-time employees in case of death in the immediate family to prepare for and attend funeral services. Immediate family is defined as parent, step-parent, spouse, registered domestic partner, child, child of a domestic partner, brother, sister, grandparent, aunt, uncle, or the-in-laws of the previous listed classifications, except that a relative residing in the same household may, for the purpose of this section, be considered immediate family. The employee will be allowed a leave of absence not to exceed thirty-six (36) hours without charge to employee's accrued leave.

15.2 Absences for the purpose of attending funerals as set forth above, in excess of the allowed thirty-six (36) hours, will be charged against the employee's Catastrophic Leave Bank, accrued vacation, or HEC, at the option of the employee, with the approval of management.

SECTION 16 LEAVE WITHOUT PAY AND BENEFITS

Employees requesting leave without pay shall do so in accordance with established District policy. The decision to approve or disapprove said leave shall rest solely with the District and shall not be subject to the provisions of the grievance procedure as outlined in this agreement. Those employees who receive approval of their requests must take said leave in one (1) hour increments (using whole hours only). There will be no leave accruals during said approved leave without pay. Employees shall reimburse the District for the pro rata share of all employee benefit costs paid by the District during any absence greater than 80 hours within the same calendar month.

SECTION 17 LAYOFFS

17.1 Layoff

Prior to a layoff the District shall

17.1(a) Create a labor -management task force.

17.1(b) The labor-management task force shall look at the other opportunities (work) within the District prior to any layoffs. In these discussions the labor-management task force should consider the future needs of the District and identify potential areas where work will be, and train employees who may be subject to layoff prior to the termination of any contract for District services.

17.1(c) Part of the discussion of the labor-management task force will include what type of incentives, if any, that the District can offer to encourage employees to volunteer for separation.

In the event of a layoff the District shall

17.1(d) Assist with job placement.

17.1(e) If retraining is required, employees must be able to meet the minimum qualifications of the classification within a 6-month period. Depending on the classification the 6-month period may be extended.

17.2 Procedure

Whenever the District requires a reduced workforce due to a reduction or revision in the service being performed in any work group, the employee(s) with the greatest seniority will be retained, provided they are qualified to perform the remaining jobs in the affected work group or if, in the opinion of management, the employee(s) can be trained to perform the work within a reasonable length of time. The District will notify the employee(s) to be laid off thirty (30) calendar days in advance. Service credits accumulated by the employee(s) laid off will be retained.

Whenever an employee is laid off due to lack of work, the District will provide him/her with severance pay in the lump sum amount of one (1) day's pay, at the time of severance, for each year of service in the employ of the District.

17.3 Return to Work

Return of employee(s) to the work group will be conducted in the reverse order of layoff beginning with the last employee laid off. The order of call back will only be modified if an employee who has been laid off is not available for return to work. The employee's right to call back will be limited to one (1) year from date of layoff.

In cases of equal length of service, management will determine the order of call back by considering the overall job knowledge, ability, and efficiency of the employee.

SECTION 18 LONG TERM STAFFING

18.1 Union and Management representatives will address long-term staffing needs which are consistent with the strategic plan.

18.2 When requested by the Executive Team, a joint group will be selected by the Joint Labor-Management Committee (JLMC) to carry out a long-term staffing analysis and present recommendations to the Executive Team.

18.3 Every three years, the JLMC will determine whether a joint group needs to be created for the purpose of carrying out a long-term staffing analysis.

18.4 Whenever a joint group is working on long term staffing, the JLMC and the District staff will be informed of the group's work and outcomes and will provide input as needed.

SECTION 19 EVALUATING VACANCIES

19.1 It is the intention of the District to solicit and use input from the affected Workgroup's employees when filling a vacancy or establishing a new position, as defined in Attachment B

(a) Hiring "In-Kind" – Hiring in the same way or with something similar, follow Attachment A.
(b) Hiring for a new or substantially different position, follow the meet & confer process.

19.2 Filling Administrative Specialist II Positions

The procedure for filling an Administrative Specialist II position appears below.

1. Transfer requests are not subject to the Recruitment and Selection section of this MOU.
2. The District will post the vacancy as a transfer opportunity for which the following employees may request consideration.
    a. Administrative Specialist II's who have passed probation as an Administrative Specialist II.
3. The District will consider the transfer candidates and may reject or accept any internal candidate for the position.
4. If no transfer candidate is selected for the opening, the District will post the vacancy for promotional opportunities as an Administrative Specialist I. An Administrative Specialist II who applied as a transfer opportunity and was not accepted may apply; however, the employee would be considered as an Administrative Specialist I candidate only.
5. If the position is filled by an Administrative Specialist II through the transfer or promotion process, the following will occur.
    a. All transferred, promoted, or newly hired Administrative Specialists will serve the designated probationary period as defined in the MOU.
    b. The Workgroup Manager and the Administrative Specialist I or II will discuss performance expectations.
    c. The Administrative Specialist must demonstrate the team/workgroup technical specialist competencies within nine months of the date of transfer in order to retain Administrative Specialist I or II status.
    d. If performance expectations are not met by the end of the probationary period, the Administrative Specialist II may be returned to the previous job (pending job opening) or stay in the current job as an Administrative Specialist I, paid as an Administrative Specialist I. The Administrative Specialist I would have the opportunity to regain the Administrative Specialist II classification once every six months until the Administrative Specialist II's performance measures are met; but this can be done only twice in any 12-month period.
6. If no internal candidate is selected for the position, the District will announce the vacancy for external candidates, or use a valid Administrative Specialist I list.

SECTION 20 RECRUITMENT AND SELECTION PROCESS

Step #1: When there is a classified vacancy to fill, the hiring manager will meet with a joint group of classified and unclassified employees to discuss management's interests related to the particular position. The joint group will consist of no fewer than four people, 2 management and 2 classified employees, ideally subject

matter experts who know the work. If there are no subject matter experts available, the District may provide input on qualification/criteria for the selection of the joint group. The Union retains the right to select the 2 classified joint group members. The joint group may mutually agree to change the composition of the panel.

For the Casual Receptionist position, a permanent joint group would be established for all such recruitments. The permanent joint group would consist of the current or former receptionist, one TS Administrative Specialist (AS), the TS CST Coach and the TS Work Group Manager. The AS would be selected by TS management based on workload.

Step #2: The joint group will determine if a useable list exists for the current vacancy. If a useable list exists, a process will be followed to poll current employees for interest in applying for the position. If there is interest, the joint group will screen and test any internal candidates and merge them into the existing list.

Qualified employees not already on the useable list may take the test one time per recruitment.

For the Casual Receptionist position, if a useable list exists, skip Step #2, and go to Step #4.

Step #3: If no useable list exists, an open recruitment (internal and external) will be undertaken. A Human Resources professional will work with the joint group to design the selection process, which includes developing application materials, screening applications, and developing the Qualifications Appraisal Interview (QAI) and other relevant selection processes. The joint group will comprise the QAI panel, unless the joint group agrees to alternates, and will oversee and/or participate in the selection process, in order to establish the rating and ranking of candidates for further consideration. The joint group will recommend candidates for the hiring interview.

For the Casual Receptionist position, if no useable list exists, the permanent joint group identified in Step #1 shall be the joint group to work with Human Resources on the recruitment. At the QAI, the panel will rank the candidates for filling positions.

Step #4: The joint group will select, and may participate in, a team hiring interview panel, which may include the hiring manager, if he/she desires. The hiring interview panel conducts the hiring interview, including evaluation of the finalists' "fit" with the team/organization, work history, motivation, etc. The joint group and hiring panel makes a recommendation of the top candidate and other candidates to be considered by the hiring manager. If internal and external candidates are determined to be "substantially equal," preference will be given to internal candidates. If two or more internal candidates are determined to be "substantially equal," seniority will be given a preference. Note: "Substantially equal" candidates are those candidates whose total combined scores on all scored testing components are within a five percent (5%) range of each other.

Note: Scored testing components generally consist of the written examination, performance test, and QAI.

For the Casual Receptionist position, if a useable list exists, candidates will be invited to the Hiring Interviews in order of ranking.

Step #5: The hiring manager will conduct a hiring interview and will make a tentative selection.

Step #6: The manager will then meet with the joint group to discuss his tentative selection before making the final decision.

For the Casual Receptionist position, the hiring manager will make the selection decision and notify the joint group via email.

Step #7: Human Resources will meet with the joint group to debrief the hiring process.
For the Casual Receptionist, no debrief meeting will be held.

SECTION 21 EDUCATIONAL IMPROVEMENT

21.1 Reimbursement

To encourage District employees to improve their knowledge, the District will reimburse employees for educational expenses consistent with Employee Education Policy (Policy # 5330) and provide for student loans under the Computer Purchase and Student Loan Program (Policy # 2920).

21.2 Operator Certification Fee Reimbursement

21.2(a) The District will reimburse employees whose positions require them to be certified by the State of California under the Mandatory Wastewater Treatment Plant Supervisors and Operators Law to include

- all examination fees for taking and successfully passing certification examinations and renewal fees
- filing fees for the first through the third filing, provided the employee is determined to be qualified to take a particular examination.

21.2(b) When a certification examination is to be administered during an eligible employee's regularly scheduled work hours, said employee will be allowed sufficient time off with pay to take said examination, provided that said employee has given management a written request for time off to take the examination, including the date, place, and time of the examination, at least thirty (30) days in advance.

21.3 Employee Certification Fee Reimbursement

21.3(a) The District will reimburse examination, registration, and renewal fees for other required certifications. In addition, the District will reimburse these fees for other employees who desire CWEA or State Operator Certification, State Professional Licensing, and any other professional or paraprofessional certification, as approved by management.

21.3(b) Filing fees are reimbursed by the District unless the employee is determined not to be qualified to take the examination or does not pass the examination after three attempts.

SECTION 22 SEPARATION PAYMENT ALLOWANCES

22.1 Vacation and HEC

An employee who separates from District employment or whose employment has ended will be paid for accumulated vacation and HEC time at the classified step rate of pay in effect at time of separation.

22.2 Overtime Payout

An employee who separates from employment or whose employment is terminated will be paid for overtime and Flex Time pursuant to the appropriate provision.

22.3 Death/Sick Leave Payout

22.3(a) Upon the death of an employee, the stipulated beneficiary will be paid an amount equal to one-half (1/2) the employee’s accumulated sick leave at the classified salary in effect at the time of the employee's death.

22.3(b) Overtime and accumulated vacation due an employee who passes away while employed with the District will be paid to the employee's stipulated beneficiary. If there is no stipulated beneficiary, it will be paid to the estate of the employee.

SECTION 23 RETIREMENT

23.1 Public Employees' Retirement System (PERS)

23.1(a) Public Employees' Retirement System (PERS) Contributions for "Classic Members"
In accordance with the employee deduction schedule specified in the Public Employee's Retirement System Unmodified Formula Plan, for employees who meet the definition of "Classic Members" under the Pension Reform Act of 2013, the District shall pay six percent (6%) of the employee's contribution to PERS to the employee's account. The employee shall pay, on a pre-tax basis, the remaining two percent (2%) of the employee contribution to PERS.

In addition to the 2% payment above, the employees will contribute the following amounts to PERS:

Effective 6/6/13, employees will pay additional contribution of 1.5% for pension (this contribution will be a portion of the employer contribution in order to maintain the current EPMC for highest salary year purposes).

Effective 3/1/14, employees will pay additional contribution of 1.5% for pension for a total contribution of 3.0% (this contribution will be a portion of employer contribution in order to maintain the current EPMC for highest salary year purposes).

Effective 3/1/15, employees will pay additional contribution of 1.5% for pension for a total contribution of 4.5% (this contribution will be a portion of employer contribution in order to maintain the current EPMC for highest salary year purposes).

Effective 3/1/16, employees will pay additional contribution of 1.5% for pension for a total contribution of 6% (this contribution will be a portion of employer contribution in order to maintain the current EPMC for highest salary year purposes).

Total contribution paid by employees shall not exceed 8%.

23.1(b) PERS Contributions and Benefits for "New Members" Hired after January 1, 2013
Employees who are New Members hired on or after January 1, 2013 will have pension contributions as specified in Government Code Section (GCS) 7522.30 and benefits consistent with GCS 7522 et al.

23.2 PERS Options

23.2(a) PERS Options for "Classic Members"
- The District's existing PERS Retirement Contract for "Classic Members":
- provides the 2.5% @ 55 retirement formula.
- allows employees to retire with benefits under the PERS system based upon the highest year of compensation
- allows the 6% Employer Paid Member Contributions (EPMC) to be included by PERS in the employee's pay rate.

23.2(b) PERS Options for both "Classic" and "New Members"
- converts unused sick leave at the time of retirement to additional service credit at the rate of 0.004 year of service credit for each eight (8) hours of unused sick leave (approximately 2000 hours of sick leave equals one (1) additional year of service credit).
- provides the option for employees to buy back military service and apply it to their retirement credit
- provides 4th level PERS 1959 Survivor Benefits. A deduction of two dollars ($2.00) per month, per employee, is required.

23.3 Retiree Medical Reimbursement

23.3(a) This reimbursement shall include any contribution made by the District directly to PERS, including the Minimum Employer Contribution (MEC) for retiree or spouse or registered domestic partner. (In the event of the death of the retiree, the MEC will be made on behalf of the surviving spouse or registered domestic partner.)

For employees who retire from the District after February 28, 2001, a monthly reimbursement, up to Three Hundred Dollars ($300), will be provided for medical coverage (except as described below).

23.3(b) For employees who retire from the District after February 28, 2008, the monthly reimbursement for medical coverage shall be as follows under Public Employees' Medical and Hospital Care Act (PEMHCA):

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$300
Employees with fifteen (15) but less than twenty (20) years of District service	$350
Employees with more than twenty (20) years of District service	$400

23.3(c) For employees who retire from the District after February 28, 2010, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$300
Employees with fifteen (15) but less than twenty (20) years of District service	$400
Employees with more than twenty (20) years of District service	$500

23.3(d) For employees who retire from the District on or after July 1, 2013, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$350
Employees with fifteen (15) but less than twenty (20) years of District service	$450
Employees with more than twenty (20) years of District service	$550

23.3(e) For employees who retire from the District on or after July 1, 2015, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$375
Employees with fifteen (15) but less than twenty (20) years of District service	$475
Employees with more than twenty (20) years of District service	$575

23.3(f) For employees who retire from the District on or after July 1, 2017, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$400
Employees with fifteen (15) but less than twenty (20) years of District service	$500
Employees with more than twenty (20) years of District service	$600

23.3(g) For employees who retire from the District on or after July 1, 2019, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$425
Employees with fifteen (15) but less than twenty (20) years of District service	$525
Employees with more than twenty (20) years of District service	$625

23.3(h) For employees who retire from the District on or after July 1, 2021, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$450
Employees with fifteen (15) but less than twenty (20) years of District service	$550

Employees with more than twenty (20) years of District service $650

23.3(i) The District shall not treat the District reimbursement to the medical retirement plan as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicates that such reimbursements are taxable income subject to withholding. Each retired employee shall be solely and personally responsible for any federal, state, or local tax liability or penalty that may arise out of the implementation of this section.

23.4 Eligibility for Retiree Medical Reimbursement

23.4(a) To be eligible for the benefit described above, the employee must retire under a regular or disability PERS retirement, must be at least 50 years of age, and must have been employed by the District for at least ten (10) years.

23.4(b) The retiree must maintain enrollment in a medical insurance plan. The retiree must notify the District within thirty (30) days of the retiree's and/or spouse's eligibility for Medicare. The surviving spouse or registered domestic partner of an eligible retiree shall remain eligible until his/her death or remarriage, and the spouse or registered domestic partner must maintain enrollment in a medical insurance plan as described in this paragraph.

23.4(c) The reimbursement amount shall provide for the actual medical premium cost for the retiree and dependent(s). At no time shall the retiree receive in excess of the premium amount.

23.4(d) In the event of the death of an employee prior to retirement who would be qualified for benefits, the surviving spouse or registered domestic partner shall remain eligible until his/her death or remarriage or entrance into a new registered domestic partnership, and the spouse or registered domestic partner must maintain enrollment in a medical insurance plan as described in Section 23.4(b).

23.4(e) The retiree is responsible for maintaining eligibility requirements and for notifying the District of any change in eligibility status. If the retiree fails to report any change in status within thirty (30) days of the change, the retiree shall refund any excess amounts received.

23.4(f) Checks will be issued quarterly to the retiree, surviving spouse, or surviving registered domestic partner. The District may require verification of medical plan enrollment and costs.

23.4(g) Employees who separate from the District and do not retire are not eligible to receive the retiree health benefit.

23.5 Retiree Medical Benefits Actuarial Study
The District will share with the Union any reports on the status of funds in the interest-bearing reserve account established by the District to be used toward the payment of retiree medical benefits.

SECTION 24 SAFETY

24.1 The District and the Union are committed to having a safe and healthful work environment; complying with all federal, state, and District safety regulations; and creating an atmosphere that promotes safety and employee health.

24.2 No employee will be expected to, nor shall any employee be permitted to, perform work in an area or manner deemed to be unsafe according to the applicable standards established by state and federal law and District Policies and Procedures.

24.3 In accordance with the Injury and Illness Prevention Program (IIPP), the Safety Committee shall be composed of classified, unclassified, and management representatives from throughout the District. The Union may appoint one representative to the Committee.

24.4 This Committee will meet on a regular basis to promote safe work practices, investigate safety hazards and recommend remedial action in a timely manner, and promote communication about safety matters.

24.5 Consistent with the District's IIPP, any violation of safety policies, procedures, or safe work practices will result in appropriate disciplinary action, up to and including the possibility of termination of employment.

SECTION 25 SAFETY RECOGNITION PROGRAM

The Union and Management agree to maintain a Safety Recognition Program, which will promote and recognize safe behavior. This program will be funded by the District at $15,000 per fiscal year for non-management employees.

The Joint Labor Management Committee shall establish a joint Task Force to develop and monitor the program. The Task Force shall include the Environmental Health and Safety Program Manager. The Task Force shall develop a program which will incorporate individual, team and District–wide elements. The program shall be submitted to the JLMC for review and implementation. The JLMC will be responsible for conducting an evaluation of the effectiveness of the Safety Incentive Program a minimum of every 2 years.

SECTION 26 PROTECTIVE CLOTHING AND EQUIPMENT

26.1 Uniforms

26.1(a) The District will furnish, at no expense to the employee, all safety equipment required, including hard hats, safety shields, goggles, gloves, rain gear, rubber boots, work jackets, work shirts, and trousers to all employees whenever their work requires such items to be worn.

26.1(b) The District will furnish and provide for laundering work clothing to the following classified employees. The following is a minimum, with the exception of the Maintenance Assistant. Management may allocate additional uniforms based on need.

Classification	Items
Collection System Worker	11 sets, 3 regular jackets, 1 winter jacket
Janitor	11 sets, 3 regular jackets, 1 winter jacket
Maintenance Worker	11 sets, 3 regular jackets, 1 winter jacket
Mechanic	11 sets, 2 regular jackets, 1 winter jacket
Auto Mechanic	11 sets, 2 regular jackets, 1 winter jacket
Utility Worker	11 sets, 2 regular jackets, 1 winter jacket
Instrument Technician/Electrician	11 sets, 2 regular jackets, 1 winter jacket
Storekeeper	11 sets, 2 regular jackets, 1 winter jacket
Painter	11 sets, 2 regular jackets, 1 winter jacket
Planner/Scheduler	11 sets, 2 regular jackets, 1 winter jacket
Plant Operator	11 sets, 2 regular jackets, 2 winter jackets
O&M Technician	11 sets, 2 regular jackets, 2 winter jackets
Laboratory Analyst	11 lab coats, 1 regular jacket, 1 winter jacket
Chemist	11 lab coats, 1 regular jacket, 1 winter jacket
Laboratory Director	11 lab coats, 1 regular jacket, 1 winter jacket
Engineering Technicians	5 sets, 2 regular jackets, 1 winter jacket
Construction and EC Inspectors	11 sets, 2 regular jackets, 1 winter jacket
Maintenance Assistant	Up to 11 depending upon schedule.

In addition, there will be twenty (20) coveralls available for emergency use.

26.1(c) All employees issued uniforms, protective clothing, and equipment are required to wear all items when performing assignments in a work area requiring this clothing. Uniforms are defined as all clothing assigned to an employee for specific work assignments.

26.2 Safety Glasses

26.2(a) Whenever the work requires safety glasses to be worn, they will be furnished by the District, consistent with District policy, from a current prescription furnished by the employee, to those employees regularly wearing corrective glasses.

26.2(b) It is the responsibility of each employee to make every reasonable effort to maintain the clothing and equipment provided in good working order.

26.2(c) In every case, management and/or the District Safety Committee will determine the need for protective clothing and equipment.

26.3 Safety Shoes

26.3(a) When safety shoes are determined to be necessary by the District, employees will purchase said shoes and may purchase one pair of insoles per pair of shoes as required. Employees will be responsible for any costs incurred above the price limits set by the Safety Committee.

26.3(b) The District and Union agree to discuss safety shoe reimbursement as necessary. The Safety Committee will continue to meet throughout the duration of this MOU to review the reimbursements. Employees will be notified of any changes in the reimbursement schedule.

26.4 Clothing

No District-provided clothing or equipment may be taken home without the express prior approval of management. However, those employees who come in contact with sewage or other contaminated materials shall not take such contaminated clothing and equipment home under any circumstances.

26.5 Release Time for Safety Equipment Purchase

Release time of up to one hour per pair of safety shoes/glasses will be provided to purchase equipment. Such time must be approved in advance by management.

SECTION 27 UNION STEWARDS

27.1 Stewards

The Union may designate, in writing, a reasonable number of members to act as stewards, not to exceed 10% of the employees represented, unless mutually agreed to. A steward is any designated member of Local 1021 Union Sanitary District Chapter for the purpose of representing the membership in District matters. This includes officers, shop stewards and appointees. Stewards shall notify management anytime they need to conduct Union business during work hours. Stewards must consider the impact of interrupting work schedules and schedule meetings, whenever possible, to minimize disruption of the workforce. Notification shall be verbal or message with follow-up to steward's immediate coach or work group manager. The District will allow stewards reasonable time during work hours to assist union members in contract matters.

27.1(a) On election and periodically thereafter, the Union president and his or her coach will meet to discuss impacts on the workload.

27.1(b) The Union officers, stewards, and the affected teams' coaches will meet and develop a plan to mitigate the impacts, if three or more are from a single work group or there are other factors that could have a negative impact on the workforce.

27.1(c) There will be a periodic check-in with the JLMC on how well the agreements are working.

27.2 Meet and Confer

For the purpose of meeting and conferring on a successor agreement to this MOU, the Union may designate at least five (5) Union representatives who will be allowed release time for this purpose. Additional Union representatives will be decided by mutual agreement. Should one (1) authorized representative be unable to attend a meeting, the Union may appoint an alternate to substitute for the absent representative.

27.3 Scheduled Release Time

The District recognizes the benefit of maintaining an informed Union membership and has authorized release time for the following:

- Membership meetings: 1 hour per month
- Union leadership meetings: 1.5 hours per month
- JLMC will set their own agreements for representation and attendance
- Union leadership may have additional release time for Union leadership meetings with the approval of the General Manager

27.4 Joint Labor-Management Committee (JLMC)

The District will continue its practice of regularly scheduled Joint Labor-Management Committee meetings for the purpose of discussing issues important to both parties including developing, maintaining, and enhancing the labor-management relationship.

27.5 Training

The District may grant release time to attend Union-sponsored training. Training needs will be discussed at the JLMC meetings.

SECTION 28 ACCESS TO WORK LOCATIONS BY UNION REPRESENTATIVES

28.1 Access

Reasonable access to employee work locations shall be granted Union officers and their officially designated representative for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation.

District management will arrange for representatives of the Union to contact members so as not to interfere with normal operations or with established safety or security requirements.

28.2 Limitations

Solicitations of membership and activities concerned with the internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections, and distributing literature, shall not be conducted during working hours.

SECTION 29 USE OF BULLETIN BOARDS AND DISTRIBUTION OF PUBLISHED MATERIALS

29.1 Bulletin boards are available for use by the Union exclusively for posting of notices and published materials.

29.2 All such notices and materials must be approved for posting on the bulletin boards by a management representative. This approval is also required for any published material to be distributed to the employees.

29.3 Material will be limited to matters pertaining exclusively to Union Sanitary District employees. This will not preclude the posting of notices such as those pertaining to general meetings, elections, and social functions of the Union. All material must be removed as soon as practical and in no event shall remain on the board over thirty (30) days.

29.4 Should the Union fail to abide by these rules, it will forfeit its right to have materials posted on District bulletin boards, after thirty (30) days' written notice.

SECTION 30 PERSONNEL FILES

30.1 The District shall maintain only one (1) official personnel file. Employees are entitled to review and make copies of contents, subject to the State Government Code. An employee may designate, in writing, a Union representative to review his/her file and make any necessary copies.

30.2 The District must furnish one copy of any item placed in an employee's personnel file at the time of placement, at no cost to the employee. Copies may be obtained at a later date with ten cents ($0.10) per page copy charge. One copy of material contained in an employee's personnel file relating to disciplinary actions and grievance investigation and resolution shall be provided to the Union at no charge.

30.3 Documents of employee disciplinary action will be retained in the employee personnel file for the time period specified below. In the event that the employee has had no further disciplinary action during the time period in which the document is in the personnel file, the document will then be moved to a separate historic disciplinary file. In the case of written reprimands, the records will be destroyed five (5) years from the date the document was issued, provided that no further disciplinary action has occurred during that five (5) year period.

A Human Resources representative will notify the employee when the employee's historic disciplinary file is reviewed. It is the employee's responsibility to review his/her files and request documents be moved (or destroyed) in accordance with the agreed upon schedule.

Type of Disciplinary Action	**Years to be retained in Personnel File**
Written Reprimand	3 years
Suspension of less than 3 days	5 years
Suspension of 3 to 10 days	7 years
Suspension of more than 10 days	10 years
Suspension of any length for violence in the workplace, sexual harassment, or protected class discrimination	10 years

Historic disciplinary files can only be reviewed under the following conditions:

- Subpoena or request by an administrative agency
- In the event future disciplinary action is being considered
- By the employee or the employee's authorized representative

SECTION 31 TEMPORARY AND CONTRACT WORK

31.1 Contract Work

Periodically, new elements of work may be identified that could be performed by either USD employees or outside contractors. The "Contract Work Flow Chart" and the "Contract Work Decision Making Guidelines" included in Attachment C will be used to make this evaluation. The following process will be used to review contract work:

1) Each of the operating work groups will create a consistent joint group with a maximum of 6 members to follow the flow chart and to make decisions regarding contracting out work. This group should consist of the employees who are involved in the planning of the work. Other work groups will establish a joint group as needed.

2) Work groups may decide on specific tasks which can be contracted out on a regular basis without the need to use the flow chart each time this work is needed. Contract work will be reviewed on periodic basis to ensure the reasons for contracting out the work remains valid.

3) If the joint group cannot make a consensus decision on how work should be accomplished, the decision will be made by the Work Group Manager. The Work Group Manager will explain to the joint group the basis for his decision.

4) If work is contracted out, a determination should be made about the value of shadowing the contractor for training/learning and quality assurance purposes.

5) The Work Group Steward will be notified when contracting out of work is being considered.

6) All contracted work will be reviewed annually by a JLMC task force to look for trends and evaluate whether the work can be done internally in the future.

31.2 Temporary Workers

Periodically management may identify work that may be appropriate for temporary workers. When evaluating the need for hiring temporary workers, the process shown in Attachment D, "Temporary Work Flow Chart", will be followed. For a Temporary Receptionist, refer to Attachment B.

31.3 Temporary Work Report

The District shall provide monthly reports to the JLMC concerning the number of temporary employees performing classified work, by name, date of hire, type of job duties, hourly pay or agency pay rate, proposed duration of assignment, and reasons for assignment.

SECTION 32 INVESTIGATIONS

Within two (2) working days of the determination by management to conduct an investigation that could lead to disciplinary action, the District will notify the impacted employee(s) and the Union that an investigation is going to take place or is already underway. The notice will designate a Human Resources employee as the lead or contact person.

During the investigation, Human Resources will provide updates regarding the investigation to the impacted employee(s) and Union every three (3) working days.

A Union representative will be present during interviews with any classified employee, unless the employee declines Union representation.

In the event that a disciplinary matter is the subject of an arbitration hearing, the arbitrator may not consider a failure to meet the time limits contained herein as a basis to reverse or modify the disciplinary action.

SECTION 33 GRIEVANCE PROCEDURE

33.1 Purpose

The purpose of the grievance procedure is to:

- promote improved employee relationships by establishing grievance procedures on matters defined below
- afford employees, individually or through the Union, a systematic means of obtaining further considerations of problems after a reasonable effort has failed to resolve them through discussion
- provide that grievances shall be settled as near as possible to the point of origin
- provide the grievance procedure shall be as informal as possible.

33.2 Matters Subject to Grievance Procedure

For the purpose of this MOU, a grievance is defined as an allegation by a permanent or probationary, promoted, demoted, or transferred employee that the District has failed to provide a condition of employment which is established by ordinance, resolution, written departmental rule, or by this MOU; and provided that the condition of employment which is the subject matter of the grievance is a matter within the scope of representation as defined under Section 3, Rights of Recognized Organizations.

33.3 Discipline

An employee who has received a Notice of Proposed Discipline and has received the decision of the "Skelly Officer" may appeal the Skelly Officer's decision within six (6) regular working days in accordance with Section 33.5(b) Second Level of Review, or request Step 2 of the Informal Grievance Procedure [Section 33.4(b)] be followed.

The designated Skelly Officer shall not be the work group manager who responds at the second level of review.

33.4 Informal Grievance Procedure

33.4(a) Step 1

An employee who has a grievance, problem, or complaint should first try to get it settled through discussion with his/her coach, with or without his/her steward, and without delay. The coach must give the employee an answer within one (1) working day.

If, after this answer, the employee does not believe the issue has been satisfactorily resolved, he/she shall then have the right to file a formal grievance in writing or pursue Step 2 of the informal process within six (6) working days.

If the incident in which the employee feels he/she is grieved occurred during the absence of the employee from work and he/she had no knowledge of said incident, the six (6) working day period will commence upon his/her return to work.

The request to continue to follow the informal process must be agreed to by both the Union and Management. If Step 2 of the informal grievance procedure is pursued, the parties agree to suspend the time requirements to file a formal grievance [Section 33.5(a) or 33.3 for Disciplinary Grievances].

33.4(b) Step 2 (Optional)

The General Manager and Union President will meet to discuss the issue and determine the process and who should be involved. The Informal Process may include the employee, union leadership, Human Resources staff, and/or other management.

If there is no satisfactory resolution from the informal grievance process, the employee has the right to file a formal grievance within six working days of the conclusion of the informal grievance process. If the grievance is pursued it will be filed at the Second Level of Review [Section 33.5(b)]. The parties (employee, Union, and Management) may mutually agree to waive the Second Level of Review and the employee may file the grievance at the Third Level of Review [Section 33.5(c)].

33.4(c) At any time during the informal process, the employee can file a grievance in accordance with 33.5, ending the informal process.

33.5 Formal Grievance Procedure

33.5(a) First Level of Review

A grievance shall be presented in writing to the employee's coach as designated. The coach's decision shall be in writing and returned to the employee within (6) working days after receiving the grievance. If the issue is not resolved, or if no answer has been received within six (6) working days, the employee may present the appeal in writing to the next level of authority, as described in 33.5(b). Failure of the employee to take further action within six (6) regular working days will constitute a withdrawal of the grievance.

The employee may request the assistance of a recognized Union organization representative at this or any subsequent step of this procedure.

33.5(b) Second Level of Review

The work group manager, after receiving the grievance, should discuss the grievance with the employee and his/her steward and also with other appropriate employees. He/she shall render a decision in writing and return it to the grievant within six (6) working days after receiving the appeal. If the issue is not resolved, or if no answer has been received within six (6) working days, the grievant may present the appeal in writing to the next level of authority, as described in 33.5(c).

Failure of the grievant to take further action within six (6) working days after receipt of the decision will constitute withdrawal of the grievance.

33.5(c) Third Level of Review

The General Manager, after receiving the grievance, shall render a decision in writing to the employee within twenty (20) calendar days after receiving the grievance.

33.5(d) District's Board of Director Review

If the issue is not resolved with the decision of the General Manager, the grievant may present an appeal in writing to the District Board of Directors or, in the alternative, submit it to arbitration as hereinafter provided. Failure of the grievant to take this action within twenty (20) calendar days after receipt of the General Manager's decision will constitute a withdrawal of the grievance. The District's Board of Director's, after receiving the grievance, will render a decision within twenty-five (25) calendar days, with the decision being final.

33.5(e) Arbitration

The Union or the District's Board of Directors may demand that the grievance be submitted to binding arbitration as provided below.

- Demand for arbitration shall be in writing and served on the other party within the time limits set forth in paragraph 33.5(d) above.
- An impartial arbitrator shall be selected from a list of not less than seven (7) names furnished by the State Conciliation Service or the American Arbitration Association, with each party alternately striking one (1) name until a single name remains.
- The arbitrator shall have no power to add to or subtract from or modify any of the provisions of this MOU, District resolutions, rules, or regulations and shall have no power to determine matters not subject to the grievance procedure.
- The impartial arbitrator's decision shall be final and binding on the employee(s) and the District.
- Fees and expenses of the impartial arbitrator, and reporter when desired, shall be paid by the losing party.

33.5(f) Back Wages

All claims for back wages shall be limited to the amount that the employee otherwise would have earned less all amounts the employee earned elsewhere during the period in question, less any compensation received or compensation that he/she may have received or could with diligent effort have received from any source during the period in question.

33.5(g) Decision Final and Binding

An agreement or mutual decision of the employee and the District reached at any step provided in this grievance procedure, including arbitration, shall be final and binding upon the District and the employee(s).

33.6 Conduct of Grievance Procedure

33.6(a) The time limits specified above may be extended to a definite date by mutual agreement of the employee and the reviewer concerned.

33.6(b) The employee may request the assistance of an officer of the Union in preparing and presenting his/her appeal at the level of the review by the General Manager or the District Board.

33.6(c) The employee and his/her representative may be privileged to use a reasonable amount of work time, as determined by management, in conferring and presenting the appeal.

33.6(d) Employees shall be assured freedom from reprisal for using the grievance procedures.

SECTION 34 MISCELLANEOUS

34.1 No Discrimination

To the extent prohibited by applicable state and federal law, there shall be no discrimination because of race, creed, color, national origin, sex, age, sexual orientation, disability status, or legitimate Union activities against any employee or applicant for employment by the Union, by the District, or by anyone employed by the District.

34.2 Driver's License/DMV

The District will pay for all expenses related to securing a Class A or B driver's license, including medical exams and examination and renewal fees.

The District shall be responsible for any vehicle citations issued to District employees driving District vehicles unless there is proven gross negligence on the part of the driver.

34.3 Former Lead Worker

For this section, former lead workers are defined as Lead Mechanic and Senior Plant Operator.

34.3(a) The work groups will define the role of the former lead workers to allow them to utilize and share their expertise with everyone.

34.3(b) The former lead workers will maintain their additional 5% above step 5 in the salary structure, provided they accept the new roles that will be defined.

34.3(c) The 5% additional salary will remain until separation or a new lead position is created that incorporates the defined role. If the new lead position does not include the duties of the defined role, the 5% above step 5 will continue.

34.3(d) In the event the District recreates lead work classifications, those workers holding lead positions as of September 10, 1997 shall be awarded the recreated positions and former salary differential. Selection shall be based on their seniority in those positions prior to September 10, 1997.

34.3(e) If the former lead workers do not accept and continue to fulfill the defined role, or do not accept a newly created lead position, the 5% above Step 5 will be eliminated through Y rating.

SECTION 35 DISTRICT POLICIES

Policies in effect as of March 1, 2007 and referenced in this MOU may only be modified by mutual agreement between the District and Unions.

SECTION 36 DEPARTMENT OF TRANSPORTATION DRUG AND ALCOHOL TESTING PROGRAM

Designated employees covered by the MOU are subject to the requirements of the Department of Transportation Drug and Alcohol Testing Program as outlined in District Policy #5325.

SECTION 37 SUCCESSOR

In the event that Union Sanitary District is merged or absorbed into another agency, the terms and conditions of this MOU shall continue to cover the employees of USD until the expiration of this MOU, or until a mutually acceptable replacement MOU has been completed.

SECTION 38 SAVINGS

If any provision of this MOU should be held invalid or outside the scope of bargaining by operation of law or by final judgment of any court of competent jurisdiction, the remainder of this MOU shall not be affected.

In the event of invalidation of any section of this MOU, the parties agree to meet and confer within thirty (30) days after such determination for the purpose of arriving at a mutually satisfactory replacement of such section.

SECTION 39 DURATION

This MOU shall be in full force through December 31, 2022 and shall continue thereafter except those portions which may be amended, deleted, or modified after a reasonable notice by either party and the opportunity to meet and confer as provided by law resulting in a mutual agreement between the parties.

SIGNATURES

Service Employees International Union, Local 1021

By: _____
Mohammad Ghoury
Union President

By: _____
Maurice Fortner
T&D Representative

By: _____
Allen Tarnowski
CS Representative

By: _____
Sol Cooper
FMC Representative

By: _____
Zeke Kull
BS Representative

By: _____
Ossee Desmangles
SEIU, Local 1021 Business Rep

By: _____
Peter Masiak
SEIU Local 2012, East Bay Director

Union Sanitary District

By: _____
Paul R. Eldredge, P.E.
General Manager/District Engineer

By: _____
Gene Boucher
Human Resources Manager

By: _____
Armando Lopez
Treatment & Disposal Services Manager

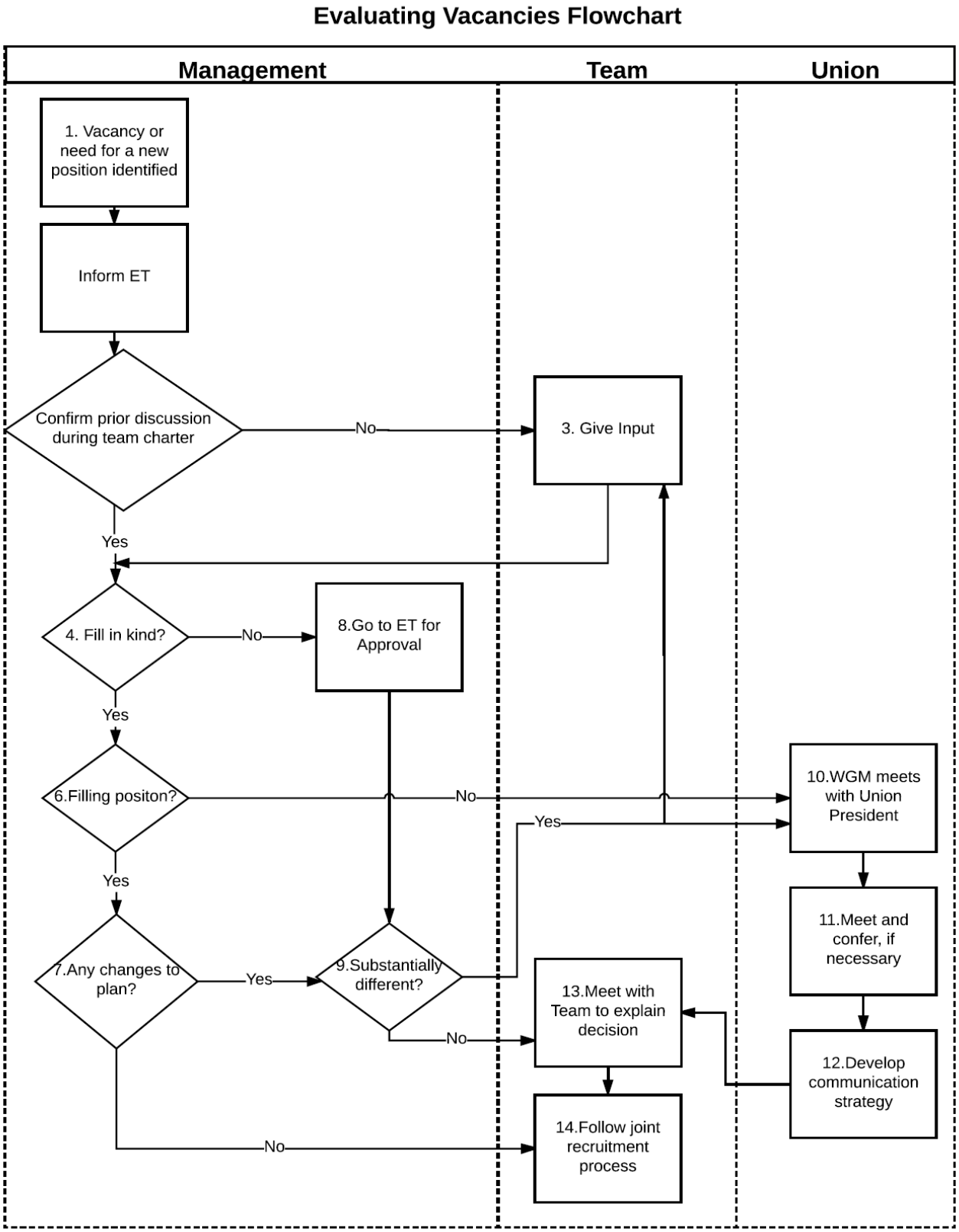
By: _____
James Schofield
Collection Services Manager

By: _____
Christopher Pachmayer
Coach, Electrical & Technology

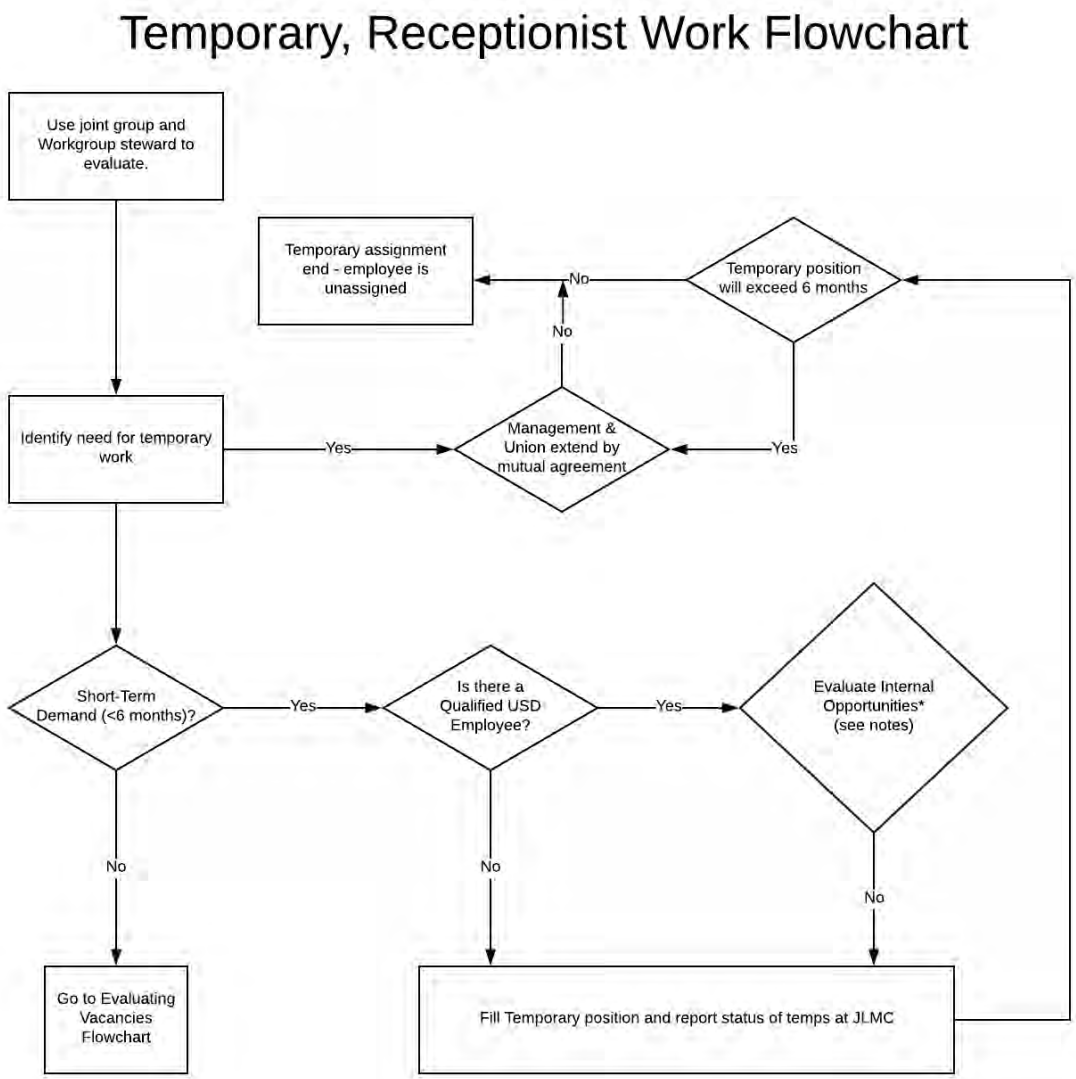
By: _____
Glenn Berkheimer
IEDA

By: _____

ATTACHMENT A – EVALUTING VACANCIES FLOWCHART

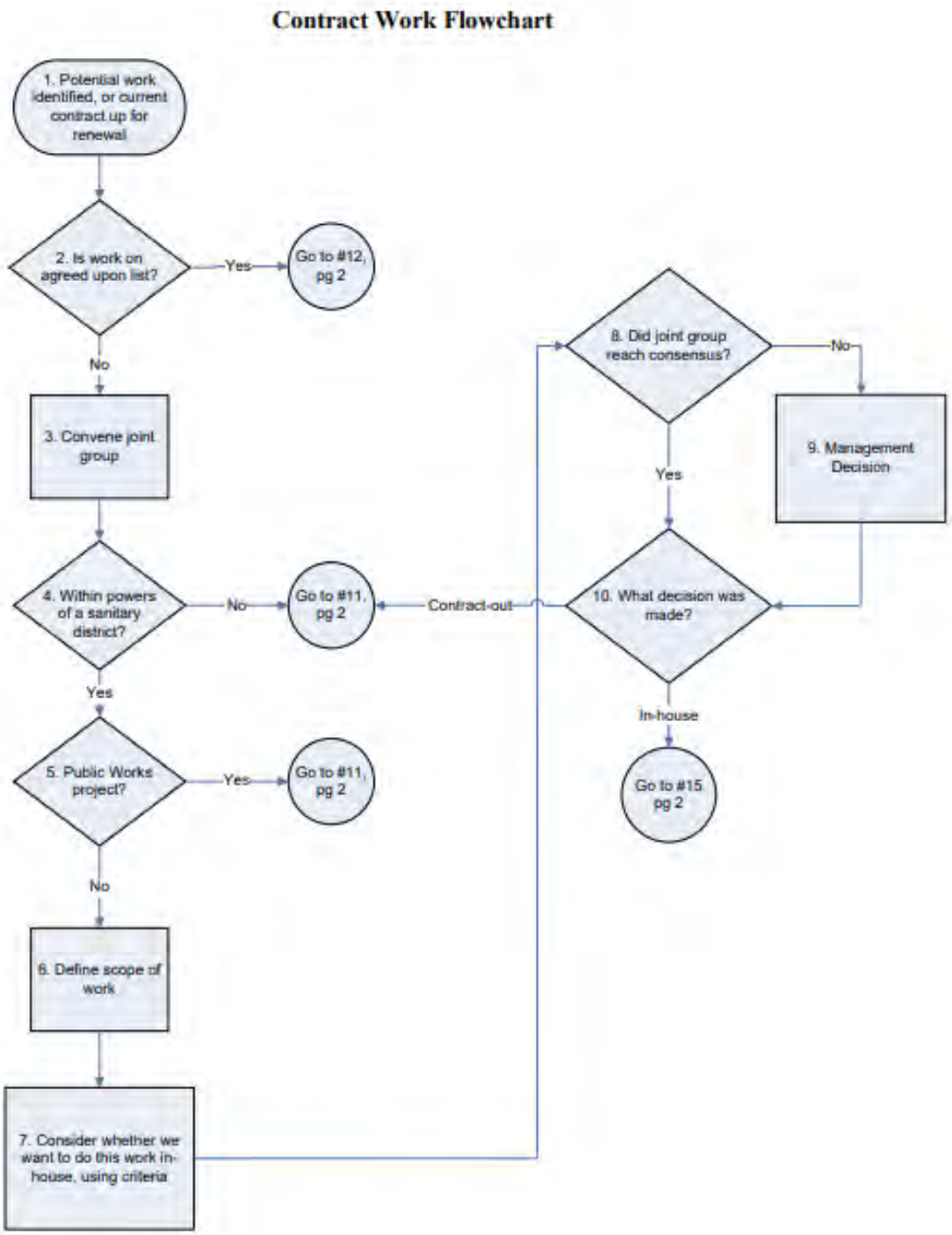


ATTACHMENT B – TEMPORARY, RECEPTIONIST WORK FLOWCHART

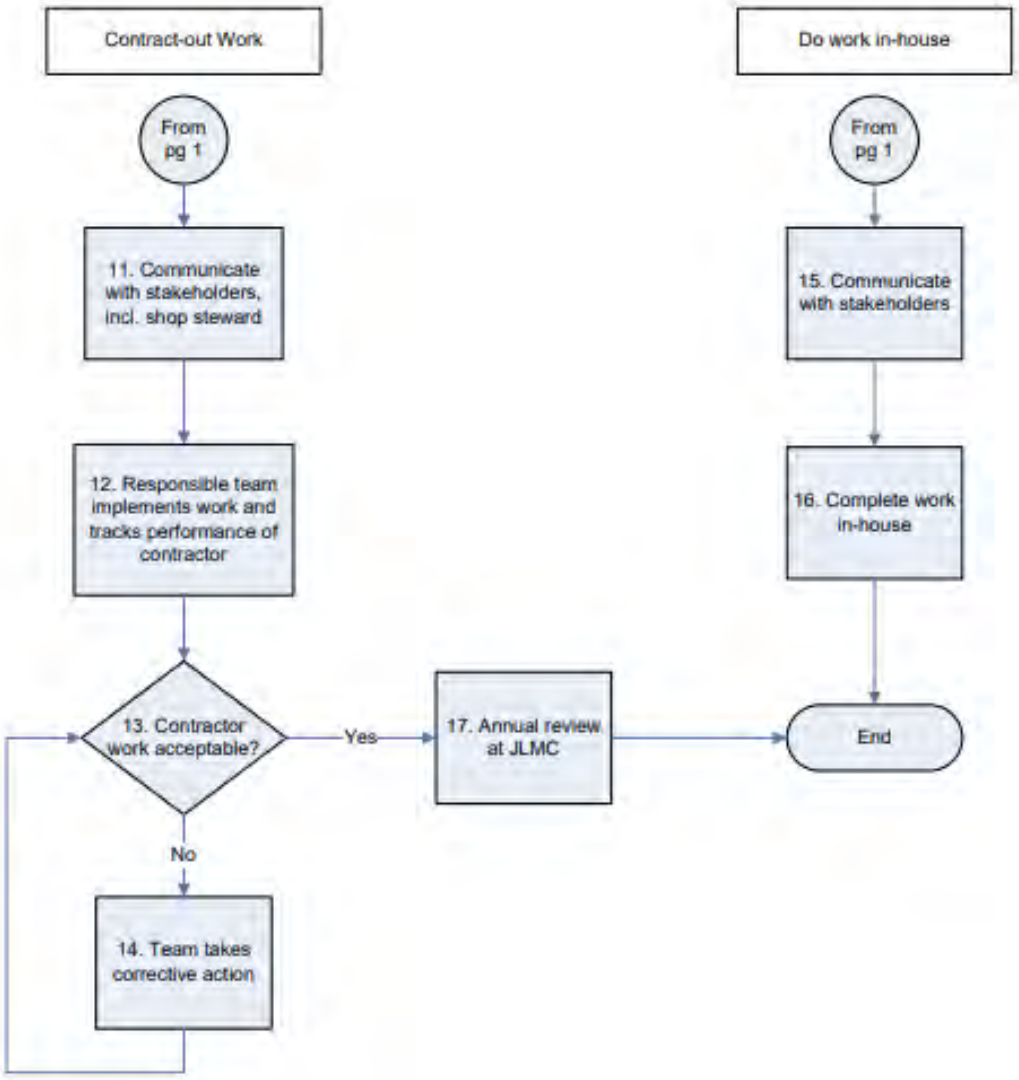


NOTES:
* Impact on employee's team and work load.
* Need for temporary to cover employee's duties
* Consider the learning and growth opportunity for employee.
* Is overtime appropriate or feasible?
  * Are there more than one qualified employees?
  * Economic impact of overtime vs temporary?
* Overall impact & feasibility of internal assignment.
* The process of evaluating the employee's qualification may include a qualification test administered by HR.

ATTACHMENT C – CONTRACT WORK FLOWCHART



Final 1/23/2007



Final 1/23/2007

Notes:

2. Work groups may decide on specific tasks which can be contracted out on a regular basis without the need to use the flow chart each time this work is needed.

3. The Joint Group will include representatives from management, union and the affected teams. Each of the operating work groups will create a consistent joint group with a maximum of 6 members to follow the flow chart and to make decisions regarding contracting out work. This group should consist of the employees who are involved in the planning of the work. Other work groups will establish a joint group as needed.

7. The following criteria will be used when evaluating whether work should be done in-house:

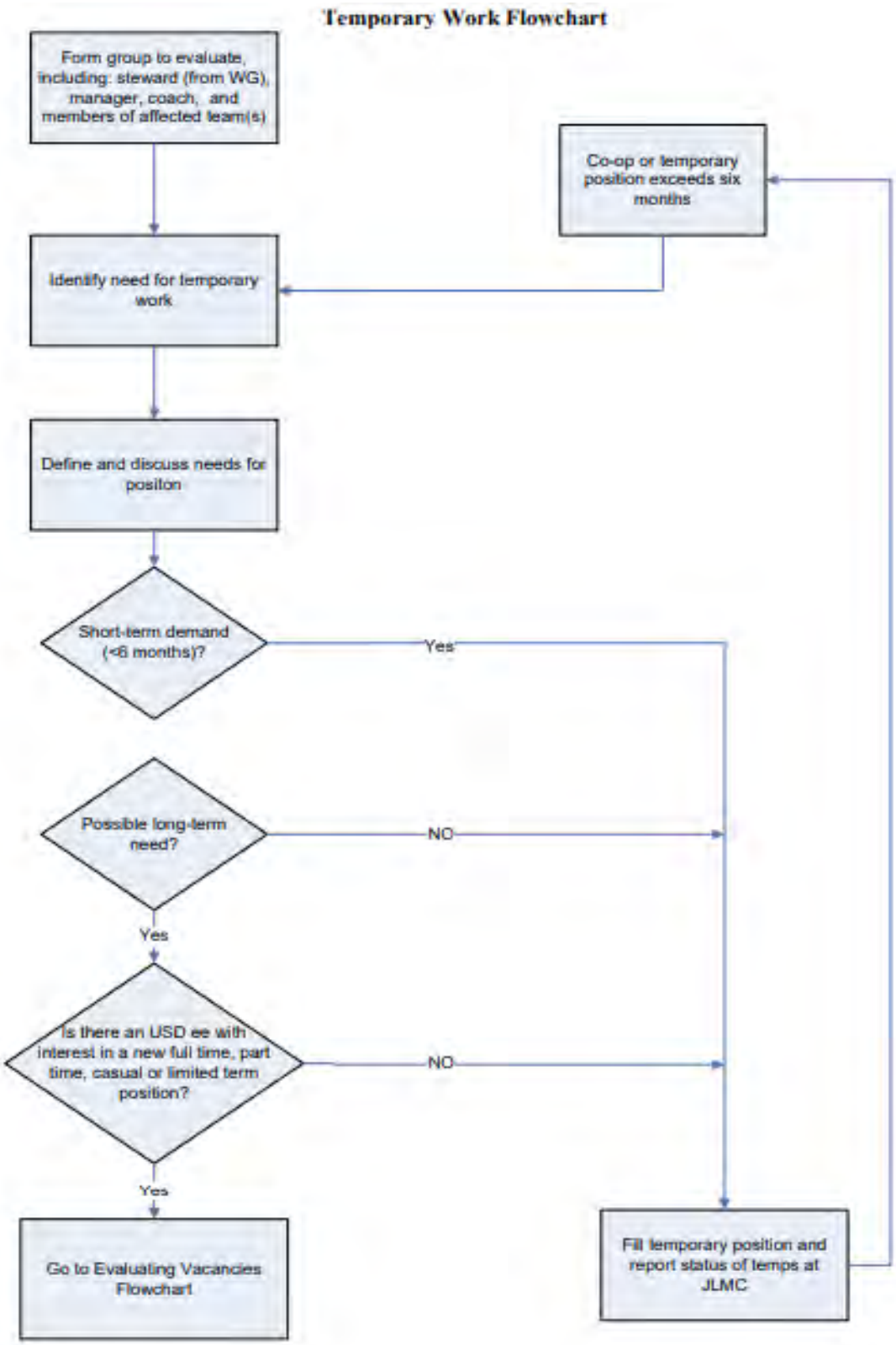
- The work is a core function of USD
- It can be done without adversely affecting current service levels
- We can do the work for an acceptable, competitive cost
- The work provides an opportunity for employees to develop or learn new skills
- The work provides the opportunity for employees to retain skills or transfer skill knowledge
- There are other District employees who could do the work, or other work, which would free up additional employees to perform this work

8. If the joint group cannot make a consensus decision on how work should be accomplished, the decision will be made by the Work Group Manager. The Work Group Manager will explain the basis for his decision to the joint group .

12. If work is contracted out, a determination should be made about the value of shadowing the contractor for training/learning and quality assurance purposes.

15. Contract work will be reviewed on periodic basis to ensure the reasons for contracting out the work remains valid.

ATTACHMENT D - TEMPORARY WORK FLOWCHART



SIDE LETTER - SECTION 5.9 TEMPORARY/SPECIAL ASSIGNMENT PAY

SIDE LETTER AGREEMENT
Between
UNION SANITARY DISTRICT
And
SEIU, Local 1021

Regarding Section 5.9 Temporary/Special Assignment Pay

Representatives from SEIU, Local 1021, and representatives for the Union Sanitary District met and mutually agreed to modify Section 5.9 of the Memorandum of Understanding between the parties in the following manner, and that calculations for this pay will go back to the start date of the MOU on February 26, 2019:

5.8 Temporary/Special Assignment Pay

In the event any classified employee 1) is temporarily assigned to and performs duties in a classification higher than his/her own or 2) performs work that requires higher-level knowledge, skills and ability than their current classification requires and may be temporary or long term, the District will pay the employee in the following manner:

5.9(a) The employee will be paid five percent (5%) above the employee's normal hourly rate or one dollar ($1.00), whichever is greater, but in no case greater than Step 5 of the higher-paid classification, for each hour performing the higher-level work. Qualified back up CS Lead Workers and Planner/Scheduler employees shall be paid ten percent (10%) above the employee's normal hourly rate when performing the work, but in no case greater than Step 5 of the CS Lead Worker and/or Planner/Scheduler 2 positions or vacancy currently being filled.

5.9(b) After 60 consecutive calendar days in which the employee works all his/her normally assigned work hours in the same assignment, the employee will be paid at the rate the employee would receive had he/she been promoted to the higher-level classification according to MOU Section 5.1(a), for the duration of the assignment.

Any assignments exceeding 60 consecutive calendar days will be reviewed at the JLMC. For unclassified positions, the first step of the higher class is defined as eighty percent (80%) of the most current Market Survey Average (MSA) for the classification.

5.9(c) In the event an employee performs work which requires certification by an agency outside the District and such work is not required of all employees in the same classification, the employee shall be paid consistent with Section 5.7(a).

Additionally, the employee will be paid consistent with the following schedule for initial certification and recertification. Changes and additions to the schedule will be approved by the JLMC.

Certificate	Initial Certification	Renewal	
Underground storage tanks	$300	$300 (every 2 years)	
Crane Operator*	$600	$600 (every 5 years)	+ $4.00/hr while operating the crane, in lieu of 5.8(a)
Backflow/Cross Connection Prevention	$400	$400 (every 3 years)	
Qualified Applicator**	$250	$100 (every 2 years)	
NASSCO ***	$225	$225 (every 3 years)	

* Certified crane operators will receive $4.00/hour when operating the crane, which includes lifting a load, planning out the lift of a load, rigging the load, setting up the crane for a lift, conducting the pre-trip inspection of the truck, training others/in training, inspecting the truck or performing preventive maintenance, driving to and from job site where the lift will be performed, and stowing truck. If multiple crane operators are on-site and working together to perform the task, then all operators will be paid.

When the truck is on the job site but isn't being used or when the truck is being driven to the repair shop, the employee is not eligible for the $4.00/hour premium pay.

**Certified qualified pesticide applicators shall be paid consistent with Section 5.7(a) when performing work, which includes mixing/loading/transporting chemical, applying pesticide, cleaning up, being trained to maintain license, training others, preparing equipment, stowing truck, keeping records, and storing chemical. If two qualified pesticide applicators are on-site and working together to perform the task, then both will be paid.

When the qualified pesticide applicators are in meetings that are not related to pesticide application, and when they are doing other work that are not related to the pesticide application, they are not eligible for the premium pay.

***In addition to the lump sum payment for the initial certificate and the renewal of the certificate for NASSCO, the District agrees to the following:

- Management reserves the right to determine the appropriate number of employees to receive NASSCO training and receive reimbursement for obtaining and maintaining the NASSCO certificate.
- Management will ensure that all employees who are in the Acting Lead Collection System Worker pool will have the opportunity to receive NASSCO training.
- The District will provide all bargaining unit employees who have a NASSCO Certificate as of April 1, 2014, a lump sum payment of $225

For the District		For SEIU, Local 1021	
9.9.19			
Paul Eldredge General Manager	Date	Ossee Desmangles SEIU Local 1021 Field Representative	Date
8/22/19		8-22-19	
Gene Boucher Human Resources Manager	Date	Louis Rivera SEIU Local 1021	Date

SIDE LETTER - SECTION 7.6 ON-CALL DUTY

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SIDE LETTER AGREEMENT
Between
UNION SANITARY DISTRICT
And
SEIU,Local 1021
Regarding Section 7.6 On-Call Duty

Representatives from SEIU, Local 1021, and representatives for the Union Sanitary District met and mutually agreed to modify Section 7.6 of the Memorandum of Understanding between the parties, *with an effective date for the changes beginning* on *January 1, 2021,* in the following manner:

SECTION 7.6 On-Call Duty

7.6(e) R&S Chemists & Lab Director

1. On-Call assignments will be compensated per Section 7.6(a) Compensation of the MOU.

2. The On-Call program is limited to the wet weather season as defined by the NPDES permit. November 1st thru April 30th. Use of On-Call is not limited to wet weather events.

3. On-call duty will be assigned to all eligible and qualified Chemists and Lab Director on an equal opportunity basis by R&S On-Call procedure developed with and approved by management.

4. All Chemists and Lab Director will be required to take on-call duty. When assigned on-call duty, if it is not feasible for the employee to take calls, for whatever reason, it is the employee's responsibility to find another qualified employee to take his/her on-call duty. Specific procedures are contained in the R&S On-Call Procedure.

5. All Chemists and Lab Director assigned to on-call duty will be issued a beeper or other technology during the week they are assigned. Weeknight on-call begins each day after shift ends and weekend on-call (Saturday, Sunday, or holiday) is from 7:00am to 7:00am.

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6. After the conclusion of the next wet weather season, both parties agree to meet and discuss the effectiveness of the program, to determine if changes to the R&S On-Call Procedures are needed.

FOR THE DISTRICT

DocuSigned by:
Paul R. Eldredge March 4, 2021
91F3D7DCBD12473...

Paul Eldredge Date
General Manager

DocuSigned by:
Gene Boucher March 4, 2021
A2FACAD7EF45419...

Gene Boucher Date
Human Resources Manager

FOR SEIU LOCAL 1021

DocuSigned by:
Ossee Desmangles March 4, 2021
7E0008BEF8AF408...

Ossee Desmangles Date
SIEU Local 1021 Field Representative

DocuSigned by:
Louis Rivera March 4, 2021
AF77B34E599745D...

Louis Rivera Date
SIEU Local 1021 President

SIDE LETTER - SECTION 26.1 UNIFORMS

SIDE LETTER AGREEMENT
Between
UNION SANITARY DISTRICT
And
SEIU, Local 1021

Regarding Section 26.1 Uniforms

Representatives from SEIU, Local 1021, and representatives for the Union Sanitary District met and mutually agreed to modify Section 26.1 of the Memorandum of Understanding between the parties, ***with an effective date for the changes beginning on July 1, 2019,*** in the following manner:

SECTION 26 PROTECTIVE CLOTHING AND EQUIPMENT

26.1 Uniforms

26.1(a) The District will furnish, at no expense to the employee, all safety equipment required, including hard hats, safety shields, goggles, gloves, rain gear, rubber boots, work jackets, work shirts, and trousers to all employees whenever their work requires such items to be worn.

26.1(b) The District will furnish and provide for laundering work clothing to the following classified employees. The following is a minimum, with the exception of the Maintenance Assistant. Management may allocate additional uniforms based on need.

Classification	Items
Collection System Worker	11 sets, 3 regular jackets, 1 winter jacket
Janitor	11 sets, 3 regular jackets, 1 winter jacket
Maintenance Worker	11 sets, 3 regular jackets, 1 winter jacket
Mechanic	11 sets, 2 regular jackets, 1 winter jacket
Auto Mechanic	11 sets, 2 regular jackets, 1 winter jacket
Utility Worker	11 sets, 2 regular jackets, 1 winter jacket
Instrument Technician/Electrician	11 sets, 2 regular jackets, 1 winter jacket
Storekeeper	11 sets, 2 regular jackets, 1 winter jacket
Painter	11 sets, 2 regular jackets, 1 winter jacket
Planner/Scheduler	11 sets, 2 regular jackets, 1 winter jacket

Plant Operator	11 sets, 2 regular jackets, 2 winter jackets
O&M Technician	11 sets, 2 regular jackets, 2 winter jackets
Laboratory Analyst	11 lab coats, 1 regular jacket, 1 winter jacket
Chemist	11 lab coats, 1 regular jacket, 1 winter jacket
Laboratory Director	11 lab coats, 1 regular jacket, 1 winter jacket
Engineering Technicians	5 sets, 2 regular jackets, 1 winter jacket
Construction and EC Inspectors	11 sets, 2 regular jackets, 1 winter jacket
Maintenance Assistant	Up to 11 depending upon schedule.

In addition, there will be twenty (20) coveralls available for emergency use.

26.1(c) All employees issued uniforms, protective clothing, and equipment are required to wear all items when performing assignments in a work area requiring this clothing. Uniforms are defined as all clothing assigned to an employee for specific work assignments.

26.1(d) The value of District provided uniforms will be reported as an item of Special Compensation for each employee that is a CalPERS "Classic" member. The value of $6 per pay period ($156 annually) will be reported to CalPERS as Special Compensation. Employees will continue to pay contributions as outlined in section 23.1 of this MOU.

For employees who are classified as CalPERS "New Members," hired on or after January 1, 2013, the value of Uniforms will not be reported to CalPERS as an item of special compensation consistent with the requirements of Government Code Section (GCS) 7522.30.

FOR THE DISTRICT

Paul R. Eldredge

Paul Eldredge Date
General Manager

7/28/2020

Gene Boucher Date
Human Resources Manager

FOR SEIU, LOCAL 1021

Attached

Ossee Desmangles Date
SEIU Local 1021, Field Representative

2-13 2020

Louis Rivera Date
SEIU Local 1021 Chapter President

Plant Operator	11 sets, 2 regular jackets, 2 winter jackets
O&M Technician	11 sets, 2 regular jackets, 2 winter jackets
Laboratory Analyst	11 lab coats, 1 regular jacket, 1 winter jacket
Chemist	11 lab coats, 1 regular jacket, 1 winter jacket
Laboratory Director	11 lab coats, 1 regular jacket, 1 winter jacket
Engineering Technicians	5 sets, 2 regular jackets, 1 winter jacket
Construction and EC Inspectors	11 sets, 2 regular jackets, 1 winter jacket
Maintenance Assistant	Up to 11 depending upon schedule.

In addition, there will be twenty (20) coveralls available for emergency use.

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For employees who are classified as CalPERS "New Members," hired on or after January 1, 2013, the value of Uniforms will not be reported to CalPERS as an item of special compensation consistent with the requirements of Government Code Section (GCS) 7522.30.

FOR THE DISTRICT

FOR SEIU, LOCAL 1021

Ossee Desmangles

Paul Eldredge
General Manager

Date

Ossee Desmangles
SEIU Local 1021, Field Representative

Date

2-13 2020

Gene Boucher
Human Resources Manager

Date

Louis Rivera
SEIU Local 1021 Chapter President

Date

SIDE LETTER - SECTION 34 MISCELLANEOUS

SIDE LETTER AGREEMENT
Between
UNION SANITARY DISTRICT
And
SEIU, Local 1021

Regarding Section 34 Miscellaneous

Representatives from SEIU, Local 1021, and representatives for the Union Sanitary District met and mutually agreed to modify Section 34 of the Memorandum of Understanding between the parties, ***with an effective date for the changes beginning on October 1, 2020***, in the following manner:

SECTION 34 MISCELLANEOUS

34.1 No Discrimination
To the extent prohibited by applicable state and federal law, there shall be no discrimination because of race, creed, color, national origin, sex, age, sexual orientation, disability status, or legitimate Union activities against any employee or applicant for employment by the Union, by the District, or by anyone employed by the District.

34.2 Driver's License/DMV
The District will pay for all expenses related to securing a Class A or B driver's license, including medical exams and examination and renewal fees.

The District shall be responsible for any vehicle citations issued to District employees driving District vehicles unless there is proven gross negligence on the part of the driver.

34.3 Former Lead Worker
For this section, former lead workers are defined as Lead Mechanic and Senior Plant Operator,

34.3(a) The work groups will define the role of the former lead workers to allow them to utilize and share their expertise with everyone.

34.3(b) The former lead workers will maintain their additional 5% above step 5 in the salary structure, provided they accept the new roles that will be defined.

34.3(c) The 5% additional salary will remain until separation or a new lead position is created that incorporates the defined role. If the new lead position does not include the duties of the defined role, the 5% above step 5 will continue.

34.3(d) In the event the District recreates lead work classifications, those workers holding lead positions as of September 10, 1997 shall be awarded the recreated positions and former salary differential. Selection shall be based on their seniority in those positions prior to September 10, 1997.

34.3(e) If the former lead workers do not accept and continue to fulfill the defined role, or do not accept a newly created lead position, the 5% above Step 5 will be eliminated through Y rating.

34.4 Control Systems Specialist

The Control Systems Specialist is a newly created position in the Instrument Technican/Electrician class series.

34.4(a) The District will create a Control Systems Specialist position to represent the duties performed by the Instrument Technician/Electrician that currently performs advanced work with SCADA and other applications.

34.4(b) The District and Union agree that should the incumbent retire or leave the District that the District reserves the right, at its sole discretion, to fill the position at the Instrument Technician/Electrician level, and not replace in kind, and the Control Systems Specialist position will become obsolete.

FOR THE DISTRICT

Paul Eldredge Date
General Manager

Gene Boucher Digitally signed by Gene Boucher Date: 2020.09.10 15:18:41 -07'00'

Gene Boucher Date
Human Resources Manager

FOR SEIU, LOCAL 1021

Ossee Desmangles Digitally signed by Ossee Desmangles Date: 2020.09.11 09:40:49 -07'00'

Ossee Desmangles Date
SEIU Local 1021, Field Representative

9-11-2020

Louis Rivera Date
SEIU Local 1021 Chapter President

SIDE LETTER AGREEMENT BETWEEN UNION SANITARY DISTRICT AND SERVICE EMPLOYEES' INTERNATIONAL UNION, LOCAL 1021 RE: EXTENSION OF 2019 – 2022 MEMORANDUM OF UNDERSTANDING

The Union Sanitary District ("District") and the Service Employees International Union, Local 1021 ("SEIU" or "Union") enter into this Side Letter Agreement ("Side Letter Agreement") and agree to amend the parties' Memorandum of Understanding dated February 26, 2019, through December 31, 2022 (the "MOU") as follows:

Purpose

Whereas the District and SEIU previously entered into a Memorandum of Understanding effective February 26, 2019 – December 31, 2022.

The parties agree to the following:

Cover Page

The cover page shall be changed to read February 26, 2019 – December 31, 2026.

One-Time Lump Sum

The District agrees to pay each member of the Union as of January 1, 2022, $750 for the signing of this contract extension. The money paid for the one-time lump sum will not be pensionable compensation and will not be paid in the additional years of the contract.

SECTION 5.2 SALARY INCREASES

Section 5.2(a) will be changed to read as stated below:

5.2(a) Salary increases for the term of this MOU will be based upon the Consumer Price Index for All Urban Consumers (CPI-U) on the December-to-December average. The range for the cost-of-living adjustments (COLA's) will be 3.25% (Minimum) to 4.5% (Maximum).

SECTION 8 HOLIDAYS

Section 8.1(a) and 8.2(a) will be changed to include the addition of the Juneteenth holiday (June 19) as a District Observed Holiday.

8.1(a) Schedule

The following holidays are allowed for all employees working a Monday-Friday schedule, with pay. If a holiday falls on a Saturday, the previous Friday will be the observed holiday.

If a holiday falls on a Sunday, the following Monday will be the observed holiday. When the Christmas and New Year's holidays fall on Friday and Saturday, Thursday and Friday will the observed holidays. When Christmas and New Year's fall on Sunday and Monday, Monday and Tuesday will be the observed holidays.

Holiday	2022	2023	2024	2025	2026
New Year's Day	12/31/2021	1/2/2023	1/2/2024	1/1/2025	1/1/2026
M.L. King's Birthday	1/17/2022	1/16/2023	1/15/2024	1/20/2025	1/19/2026
President's Day	2/21/2022	2/20/2023	2/19/2024	2/17/2025	2/16/2026
Memorial Day	5/30/2022	5/29/2023	5/27/2024	5/26/2025	5/25/2026
Juneteenth	6/20/2022	6/19/2023	6/19/2024	6/19/2025	6/19/2026
Independence Day	7/4/2022	7/4/2023	7/4/2024	7/4/2025	7/3/2026
Labor Day	9/5/2022	9/4/2023	9/2/2024	9/1/2025	9/7/2026
Thanksgiving Day	11/24/2022	11/23/2023	11/28/2024	11/27/2025	11/26/2026
Day After Thanksgiving	11/25/2022	11/24/2023	11/29/2024	11/28/2025	11/27/2026
Christmas Eve	12/23/2022	12/25/2023	12/24/2024	12/24/2025	12/24/2026
Christmas Day	12/26/2022	12/26/2023	12/25/2024	12/25/2025	12/25/2026
New Year's Eve	12/30/2022	1/1/2024	12/31/2024	12/31/2025	12/31/2026

8.2 Holidays for Rotating Schedule

8.2(a) Schedule

The following holidays are recognized for all employees working a rotating day-off schedule. For the purpose of this section, the dates selected to observe holidays reflect the actual date of national observance.

Holiday	2022	2023	2024	2025	2026
New Year's Day	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Memorial Day	5/30/2022	5/29/2023	5/27/2024	5/26/2025	5/25/2026
Juneteenth	6/19/2022	6/19/2023	6/19/2024	6/19/2025	6/19/2026
Independence Day	7/4/2022	7/4/2023	7/4/2024	7/4/2025	7/4/2026
Labor Day	9/5/2022	9/4/2023	9/2/2024	9/1/2025	9/7/2026
Thanksgiving Day	11/24/2022	11/23/2023	11/28/2024	11/27/2025	11/26/2026
Day After Thanksgiving	11/25/2022	11/24/2023	11/29/2024	11/28/2025	11/27/2026
Christmas Day	12/25/2022	12/25/2023	12/25/2024	12/25/2025	12/25/2026

SECTION 12.6 EMPLOYEE BENEFITS ACCOUNT

Section 12.6(b) of the MOU will be modified as follows to include a 4% increase each year to the District's contribution cap for medical, dental & vision:

Designation	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026
Employee Only	$ 1,212.07	$ 1,260.55	$ 1,310.97	$ 1,363.41	$ 1,417.95
Employee +1	$ 2,386.00	$ 2,481.44	$ 2,580.70	$ 2,683.93	$ 2,791.28
Employee + Family	$ 2,934.13	$ 3,051.50	$ 3,173.56	$ 3,300.50	$ 3,432.52

SECTION 12.8 DEFERRED COMPENSATION

No Changes will be made to the amount the District contributes towards the employee's Deferred Compensation account. The amount will remain the same at $500.

SECTION 23.3 RETIREE MEDICAL REIMBURSEMENT

Section 23.3 will be modified to include the following:

23.3(i) For employees who retire from the District on or after July 1, 2023, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$475
Employees with fifteen (15) but less than twenty (20) years of District service	$575
Employees with more than twenty (20) years of District service	$675

23.3(j) For employees who retire from the District on or after July 1, 2025, the monthly reimbursement for medical coverage shall be as follows:

Employees with less than ten (10) years of District service	$ 0 or MEC if eligible
Employees with ten (10) but less than fifteen (15) years of District service	$500
Employees with fifteen (15) but less than twenty (20) years of District service	$600
Employees with more than twenty (20) years of District service	$700

23.3(k) The District shall not treat the District reimbursement to the medical retirement plan as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicates that such reimbursements are taxable income subject to withholding. Each retired employee shall be solely and personally responsible for any federal, state, or local tax liability or penalty that may arise out of the implementation of this section.

ALL PREVIOUS SIDE LETTERS

All previous side letters signed by the District and the Union will be included in the extension of the current MOU and includes the following:

> **Side letter – Section 5.9 Temporary Special Assignment Pay** – Dated February 26, 2019, and signed by the District and Union in August 2019
>
> **Side Letter – Section 7.6 On-Call Duty –** Dated January 1, 2021, and signed by the District and Union in March 2021

Signatories to the Agreement

In the event of any inconsistency between this Side Letter Agreement and the Memorandum of Understanding the terms of the Side Letter Agreement shall prevail for these issues covered in the Side Letter. All other terms set forth in the MOU shall remain unchanged.

In addition, the parties also agree that to the extent there is any meet-and-confer obligations to any of the foregoing, that they have fulfilled their mutual obligations in accordance with the National Labor Relations Act (29 U.S.C. §§ 151-169) and all other applicable laws.

The Side Letter Agreement is not effective until ratified by members of SEIU and the District's Board of Directors.

FOR UNION SANITARY DISTRICT

_____ _____
Paul Eldredge Date
General Manager

_____ _____
Gene Boucher Date
Human Resources Manager

FOR SEIU, LOCAL 1021

_____ _____
Ossee Desmangles Date
SEIU Local 1021, Field Representative

_____ _____
Louis Rivera Date
SEIU Local 1021, President

_____ _____
Peter Masiak Date
SEIU Local 1021 Field Staff Director

_____ _____
David Canham Date
SEIU Local 1021, Executive Staff Director

_____ _____
Oumar Fall Date
SEIU Local 1021, Staff Supervisor

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 15

TITLE: **Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Carollo Engineers, Inc. for the Sodium Hypochlorite Loop Improvements Project (*This is a motion item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Technical Services Work Group Manager
Raymond Chau, CIP Team Coach
Derek Chiu, Assistant Engineer
Blake Ehlers, Assistant Engineer

Recommendation
Staff recommends the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Carollo Engineers, Inc. (Carollo) in the amount of $280,298 to provide final design services for the Sodium Hypochlorite Loop Improvements Project (Project).

Discussion
The purpose of this task order is to authorize Carollo to provide final design and bid period services for the Project. The Project will include the following rehabilitation and repairs at the Alvarado Wastewater Treatment Plant (WWTP):

- Replace approximately 2,700 linear feet (LF) of above-grade sodium hypochlorite (hypo) loop piping, pipe supports, and appurtenances.
- Replace approximately 500 LF of hypo loop piping, pipe supports, and appurtenances located within at-grade concrete trenches. Repair or replacement of portions of the existing pipe concrete trenches as required following a field assessment by Carollo.
- Replace hypo piping, pipe supports, and odor scrubber panel appurtenances at 13 odor scrubbers.

- Replace approximately 1,700 LF of other above-grade hypo piping, pipe supports, and appurtenances that are used to dose hypo in the influent wastewater at the Headworks, secondary effluent, elutriation water, and return activated sludge.
- Add a hot water flushing system for the two thickened primary sludge (TPS) flowmeters at the Thickener Control Building (TCB).
- Modify the existing heat tracing system for the TPS sludge piping into smaller segments at the TCB.
- Construct a concrete fillet in Bar Screen Channel No. 3 and install a channel aeration air system in the Headworks Building.
- Add remote transmitters to various instruments located at Heating and Mixing Building No. 4.

Figure 1 shows the locations of the various project scope items.

Carollo's scope of services and fees for Task Order No. 1 are summarized below:

Task No.	Task Description	Fee
1	Project Management and Kickoff Meeting	$11,385
2	Final Design	$259,139
3	Bid Period Services	$9,774
	Total Not-to-Exceed Task Order Fee	**$280,298**

The total not to exceed fee of $280,298 is approximately 12.0 percent of the preliminary construction cost estimate of $2.33 million. For a project of this scope and size, staff estimated the final design fee to be between 10 and 14 percent of the construction cost estimate. Staff believes the fee for Task Order No. 1 is reasonable based on the level of effort to document the hypo piping system and to plan the construction sequence of the piping system replacement while the hypo disinfectant system remains in operation throughout the WWTP. As a comparison, the table below compares the design fees of two previous miscellaneous improvements projects.

Project	Final Design Fee	Final Construction Cost	Percent of Design Fee to Construction Cost
Plant Mechanical Improvements (2004)	$558,275	$3,889,669	14.4%
Plant Facilities Improvements (2016)	$140,717	$1,202,005	11.7%

Carollo is scheduled to complete the Project's design by late spring 2022 and construction is anticipated to begin in summer 2022. Carollo is currently designing the Plant Miscellaneous Improvements Project with a similar schedule to the Project. The Plant Miscellaneous Improvements Project's design is anticipated to be completed by spring 2022 and construction is anticipated to begin in summer 2022. Since Carollo will be the design engineer for both projects, staff plans to design and construct them as a single project. Combining the projects into a larger one will allow the District to realize savings through more favorable contractor bids and larger economies of scale for consultant services and staff support during construction.

Background

The odor scrubbers located at the WWTP require hypo to treat odors at various process areas. Additionally, staff can dose hypo at several process areas to augment the treatment process. These areas include the influent wastewater at the Headworks Building, secondary effluent at the chlorine contact tank, elutriation water for the gravity thickeners, and return activated sludge. The hypo is transported from the chemical storage tanks located at the Odor Control Building in above-ground and below-ground piping systems throughout the WWTP. The hypo piping is aging and has leaks, and replacement of the piping is needed.

Staff identified some improvements at the TCB. Two TPS magnetic flowmeters are experiencing operational and maintenance challenges due to grease buildup inside the flowmeters. One improvement will be to add a hot water system and modify the TPS piping system to provide staff the ability to periodically flush the flowmeters to remove the grease buildup. The second improvement at the TCB will be to modify the existing heat tracing system for the TPS piping. Currently, the heat tracing system is divided into eight segments, and staff wishes to further divide it up into additional smaller segments. This will provide additional operational flexibility so that smaller segments of the TPS piping can have their associated heat tracing adjusted independently from other segments.

The Headworks Building has two main influent channels, each with a Parshall flume for flow measurement and a mechanical screen. On Channel 2, there is a bypass channel that allows staff to send influent wastewater through the mechanical screen in Channel 3. However, due to this configuration, grit materials tend to settle on the bottom of Channel 3 prior to the mechanical screen. Since the screen operates intermittently, the grit materials tend to deposit at the bottom of the mechanical screen's frame and prevent the rotating racks from operating when staff puts it in service. Staff anticipates that adding a concrete fillet in the channel and adding a channel aeration air system will help keep the grit materials suspended in the influent wastewater and reduce settling of the grit materials.

Lastly, staff requested to add remote transmitters to various flow and temperature instruments located at Heating and Mixing Building No. 4. Because the instruments were installed more than six feet above the floor, staff cannot easily read the instrument displays in the field and access

the equipment for maintenance activities. The Project will install new remote transmitters at approximately four feet above the floor to improve access.

Previous Board Action
None.

PRE/SEG/RC/DC/BE;mb

Attachments: Figure 1 – Site Plan
Agreement
Task Order No. 1

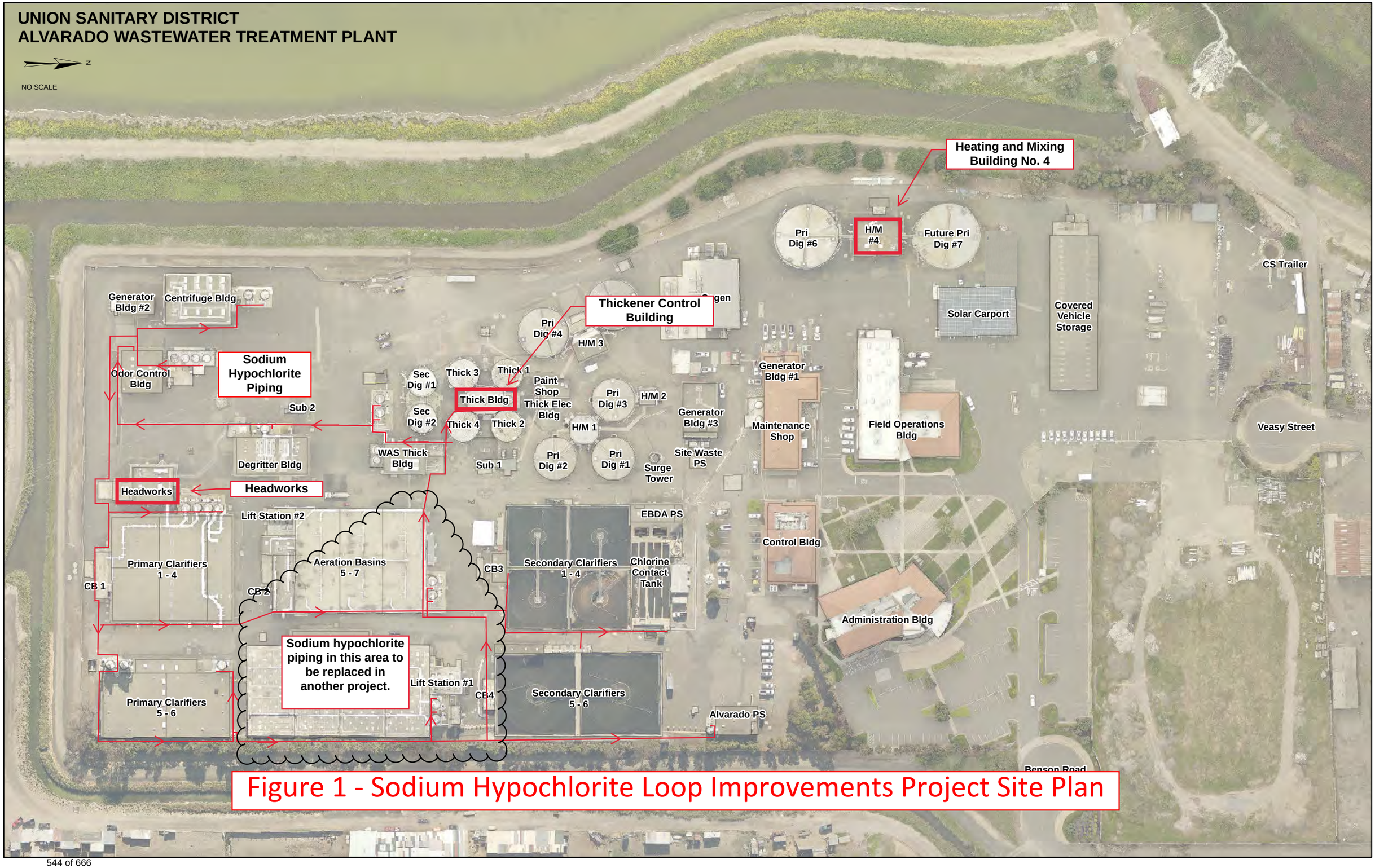

Figure 1 - Sodium Hypochlorite Loop Improvements Project Site Plan

SODIUM HYPOCHLORITE LOOP IMPROVEMENTS PROJECT

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

CAROLLO ENGINEERS, INC.

FOR

PROFESSIONAL SERVICES

THIS IS AN AGREEMENT MADE AS OF _____, BETWEEN UNION SANITARY DISTRICT (hereinafter referred to as District), and CAROLLO ENGINEERS, INC. (hereinafter referred to as Engineer).

WITNESSETH:

WHEREAS, District intends to construct the Sodium Hypochlorite Loop Improvements Project (hereinafter referred to as Project), and,

WHEREAS, District requires certain professional services in connection with the Project (hereinafter referred as Services); and

WHEREAS, Engineer is qualified and prepared to provide such Services;

NOW, THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

ARTICLE 1 - SERVICES TO BE PERFORMED BY ENGINEER

1.1 Specific Services and the associated scope of services, payment, schedule, and personnel will be defined in specific Task Order as mutually agreed by District and Engineer.

1.2 All Task Orders will by reference incorporate the terms and conditions of this Agreement, and become formal amendments hereto.

ARTICLE 2 - COMPENSATION

2.1 Compensation for consulting services performed under this Agreement shall include:

(1) Direct labor costs, multiplied by an agreed upon fixed factor (the Multiplier), to compensate for fringe benefits, indirect costs, and profit.

(2) Non-labor direct project charge not included in the fixed factor and acceptable, without any markup.

(3) Subconsultant costs, with a maximum markup of 5%.

Definitions are as follows:

(a) Direct labor is salaries and wages paid to personnel for time directly chargeable to the project. Direct labor does not include the cost of Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, and medical and retirement benefits nor the cost of the time of executive and administrative personnel and others whose time is not identifiable to the project.

(b) Fringe benefits include Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, medical and retirement benefits, incentive pay, tuition, and other costs classified as employee benefits.

(c) Indirect costs are allocations of costs that are not directly chargeable to a specific engagement and are commonly referred to as Engineer's overhead. Indirect costs include provisions for such things as clerical support, office space, light and heat, insurance, statutory and customary employee benefits, and the time of executive and administrative personnel and others whose time is not identifiable to the Project or to any other project. Under no circumstances can the same labor costs be charged as direct labor and also appear at the same time as indirect costs, and vice versa.

(d) The Multiplier is a multiplicative factor which is applied to direct labor costs, and compensates Engineer for fringe benefits and indirect costs (overhead) and profit.

(e) Other non-labor direct project charges shall be included in the overhead and these charges include typical expenses as cost of transportation and subsistence, printing and reproduction, computer time and programming costs, identifiable supplies, outside

consultant's charges, subcontracts, and charges by reviewing authorities."

Alternatively, the District and the Engineer may agree to utilize the fully-encumbered hourly rates and fees for Services performed by the Engineer. These hourly rates and fees shall be based on the Engineer's rate schedule published at the time this Agreement or Task Order is executed and shall be attached to each applicable Task Order.

2.2 Reimbursement for mileage shall not exceed the prevailing Internal Revenue Service's standard mileage rate.

2.3 A *Cost Ceiling* will be established for each Task Order which is based upon estimated labor-hours and cost estimates. Costs as described above, comprising direct labor, overhead cost, and other direct costs, shall be payable up to a Cost Ceiling as specified in the Task Order. A *Maximum Fee Ceiling,* or *Task Order Firm Ceiling*, will also be established for each Task Order which includes the Cost Ceiling plus the Professional Fee.

2.4 Engineer shall invoice District monthly for the actual costs incurred, and a pro-rated portion of the Professional Fee for work performed during the previous month. If the Maximum Fee Ceiling is reached, the Engineer will complete the agreed-upon work for the Maximum Fee Ceiling. With District staff approval, labor hours may be reallocated within the tasks without renegotiation in such a manner so as not to exceed the Maximum Fee Ceiling.

2.5 The Engineer shall provide the District with a review of the budget amounts when 75 percent of the Cost Ceiling for any task has been expended. Engineer may request a revision in the Cost Ceiling for performance of this Agreement, and will relate the rationale for the revision to the specific basis of estimate as defined in the Scope of Services. Such notification will be submitted to the District at the earliest possible date. The authorized Cost Ceiling shall not be exceeded without written approval of the District.

2.6 The Professional Fee will not be changed except in the case of a written amendment to the Agreement which alters the Scope of Services. District and Engineer agree to negotiate an increase or decrease in Cost Ceiling and Professional Fee for any change in Scope of Services required at any time during the term of this Agreement. Engineer will not commence work on the altered Scope of Services until authorized by District.

2.7 Direct labor rates are subject to revision to coincide with Engineer's normal salary review schedule. Adjustments in direct labor rates shall not affect the firm ceiling without prior written authorization of the District.

2.8 District shall pay Engineer in accordance with each Task Order for Services.

2.9 Engineer shall submit monthly statements for Services rendered. District will make prompt monthly payments in response to Engineer's monthly statements.

ARTICLE 3 - PERIOD OF SERVICE

3.1 Engineer's services will be performed and the specified services rendered and deliverables submitted within the time period or by the date stipulated in each Task Order.

3.2 Engineer's services under this Agreement will be considered complete when the services are rendered and/or final deliverable is submitted and accepted by District.

3.3 If any time period within or date by which any of the Engineer's services are to be completed is exceeded through no fault of Engineer, all rates, measures and amounts of compensation and the time for completion of performance shall be subject to equitable adjustment.

ARTICLE 4 - DISTRICT'S RESPONSIBILITIES

District will do the following in a timely manner so as not to delay the services of Engineer.

4.1 Provide all criteria and full information as to District's requirements for the services assignment and designate in writing a person with authority to act on District's behalf on all matters concerning the Engineer's services.

4.2 Furnish to Engineer all existing studies, reports and other available data pertinent to the Engineer's services, obtain or authorize Engineer to obtain or provide additional reports and data as required, and furnish to Engineer services of others required for the performance of Engineer's services hereunder, and Engineer shall be entitled to use and rely upon all such information and services provided by District or others in performing Engineer's services under this Agreement.

4.3 Arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder.

4.4 Perform such other functions as are indicated in each Task Order related to duties of District.

4.5 Bear all costs incident to compliance with the requirements of this Section.

ARTICLE 5 - STANDARD OF CARE

5.1 Engineer shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional Engineer under similar circumstance and Engineer shall, at no cost to District, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE 6 - OPINIONS OF COST AND SCHEDULE

6.1 Since Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over contractors', subcontractors' , or vendors' methods of determining prices, or over competitive bidding or market conditions or economic conditions, Engineer's cost estimate and economic analysis shall be made on the basis of qualification and experience as a professional engineer.

6.2 Since Engineer has no control over the resources provided by others to meet contract schedules, Engineer's forecast schedules shall be made on the basis of qualification and experience as a professional Engineer.

6.3 Engineer cannot and does not guarantee that proposals, bids or actual project costs will not vary from his cost estimates or that actual schedules will not vary from his forecast schedules.

ARTICLE 7 - SUBCONTRACTING

7.1 No subcontract shall be awarded by Engineer until prior written approval is obtained from the District.

ARTICLE 8 - ENGINEER-ASSIGNED PERSONNEL

8.1 Engineer shall designate in writing an individual to have immediate responsibility for the performance of the services and for all matters relating to performance under this Agreement. Key personnel to be assigned by Engineer will be stipulated in each Task Order. Substitution of any assigned person shall require the prior written approval of the District, which shall not be unreasonably withheld. If the District determines that a proposed

substitution is not responsible or qualified to perform the services then, at the request of the District, Engineer shall substitute a qualified and responsible person.

ARTICLE 9 - OWNERSHIP OF DOCUMENTS

9.1 All work products, drawings, data, reports, files, estimate and other such information and materials (except proprietary computer programs, including source codes purchased or developed with Engineer monies) as may be accumulated by Engineer to complete services under this Agreement shall be owned by the District.

9.2 Engineer shall retain custody of all project data and documents other than deliverables specified in each Task Order, but shall make access thereto available to the District at all reasonable times the District may request. District may make and retain copies for information and reference.

9.3 All deliverables and other information prepared by Engineer pursuant to this Agreement are instruments of service in respect to this project. They are not intended or represented to be suitable for reuse by District or others on extensions of this Project or on any other project. Any reuse without written verification or adaptation by Engineer for the specific purpose intended will be at District's sole risk and without liability or legal exposure to Engineer; and District shall indemnify and hold harmless Engineer against all claims, damages, losses, and expenses including attorney's fees arising out of or resulting from such reuse. Any such verification or adaptation will entitle Engineer to further compensation at rates to be agreed upon by District and Engineer.

ARTICLE 10 - RECORDS OF LABOR AND COSTS

10.1 Engineer shall maintain for all Task Orders, records of all labor and costs used in claims for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; a methodology and calculation of the Multiplier for fringe benefits and indirect costs; and invoices, time sheets, or other factors used as a basis for determining other non-labor Project charges. These records must be made available to the District upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.

10.2 After delivery of Services (completion of Task Orders) under this Agreement, the Engineer's records of all costs used in claims for compensation under this

Agreement shall be available to District's accountants and auditors for inspection and verification. These records will be maintained by Engineer and made reasonably accessible to the District for a period of three (3) years after completion of Task Orders under this Agreement.

10.3 Engineer agrees to cooperate and provide any and all information concerning the Project costs which are a factor in determining compensation under this Agreement as requested by the District or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.

10.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for District to refuse payment of any statement submitted by the Engineer and for a back charge for any District funds, including interest from payment; or grant, matching, or other funds from agencies assisting District in financing the Services specified in this Agreement.

ARTICLE 11 - INSURANCE

Engineer shall provide and maintain at all times during the performance of the Agreement the following insurances:

11.1 Workers' Compensation and Employer's Liability Insurance for protection of Engineer's employees as required by law and as will protect Engineer from loss or damage because of personal injuries, including death to any of his employees.

11.2 Comprehensive Automobile Liability Insurance. Engineer agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability. This policy shall protect Engineer against all liability arising out of the use of owned or leased automobiles both passenger and commercial. Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits of liability for Comprehensive Automobile Liability Insurance shall not be less than $1,000,000 Combined Single Limit.

11.3 Comprehensive General Liability Insurance as will protect Engineer and District from any and all claims for damages or personal injuries, including death, which may be suffered by persons, or for damages to or destruction to the property of others, which may arise from the Engineer's operations under this Agreement, which insurance shall name the District as additional insured. Said insurance shall provide a minimum of $1,000,000 Combined Single Limit

coverage for personal injury, bodily injury, and property damage for each occurrence and aggregate. Such insurance will insure Engineer and District from any and all claims arising from the following:

1. Personal injury;
2. Bodily injury;
3. Property damage;
4. Broad form property damage;
5. Independent contractors;
6. Blanket contractual liability.

11.4 Engineer shall maintain a policy of professional liability insurance, protecting it against claims arising out of negligent acts, errors, or omissions of Engineer pursuant to this Agreement, in an amount of not less than $1,000,000. The said policy shall cover the indemnity provisions under this Agreement.

11.5 Engineer agrees to maintain such insurance at Engineer's expense in full force and effect in a company or companies satisfactory to the District. All coverage shall remain in effect until completion of the Project.

11.6 Engineer will furnish the District with certificates of insurance and endorsements issued by Engineer's insurance carrier and countersigned by an authorized agent or representative of the insurance company. The certificates shall show that the insurance will not be cancelled without at least thirty (30) days' prior written notice to the District. The certificates for liability insurance will show that liability assumed under this Agreement is included. The endorsements will show the District as an additional insured on Engineer's insurance policies for the coverage required in Article 11 for services performed under this Agreement, except for workers' compensation and professional liability insurance.

11.7 Waiver of Subrogation: Engineer hereby agrees to waive subrogation which any insurer of Engineer may acquire from Engineer by virtue of the payment of any loss. Engineer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the District for all work performed by the Engineer, its employees, agents and subconsultants.

ARTICLE 12 - LIABILITY AND INDEMNIFICATION

12.1 Having considered the risks and potential liabilities that may exist during the performance of the Services, and in consideration of the promises included herein, District and Engineer agree to allocate such liabilities in accordance with this Article 12. Words and phrases used in this Article shall be interpreted in accordance with customary insurance industry usage and practice.

12.2 Engineer shall indemnify and save harmless the District and all of their agents, officers, and employees from and against all claims, demands, or causes of action of every name or nature to the extent caused by the negligent error, omission, or act of Engineer, its agents, servants, or employees in the performance of its services under this Agreement. In no event shall Engineer's costs to defend the District exceed the Engineer's proportionate percentage of negligence or fault, based upon a final judicial determination, except that if one or more defendants in an action are unable to pay its share of defense costs due to bankruptcy or dissolution, Engineer shall meet and confer with the other defendant parties regarding defense costs.

12.3 In the event an action for damages is filed in which negligence is alleged on the part of District and Engineer, Engineer agrees to defend District. In the event District accepts Engineer's defense, District agrees to indemnify and reimburse Engineer on a pro rata basis for all expenses of defense and any judgment or amount paid by Engineer in resolution of such claim. Such pro rata share shall be based upon a final judicial determination of proportionate negligence or, in the absence of such determination, by mutual agreement.

12.4 Engineer shall indemnify District against legal liability for damages arising out of claims by Engineer's employees. District shall indemnify Engineer against legal liability for damages arising out of claims by District's employees.

12.5 Indemnity provisions will be incorporated into all Project contractual arrangements entered into by District and will protect District and Engineer to the same extent.

12.6 Upon completion of all services, obligations and duties provided for in the Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.

12.7 To the maximum extent permitted by law, Engineer's liability for District's damage will not exceed the aggregate compensation received by Engineer under this Agreement or the maximum amount of professional liability insurance available at the time of any settlement or judgment, which ever is greater.

ARTICLE 13 - INDEPENDENT CONTRACTOR

Engineer undertakes performance of the Services as an independent contractor and shall be wholly responsible for the methods of performance. District will have no right to supervise the methods used, but District will have the right to observe such performance. Engineer shall work closely with District in performing Services under this Agreement.

ARTICLE 14 - COMPLIANCE WITH LAWS

In performance of the Services, Engineer will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. Engineer shall procure the permits, certificates, and licenses necessary to allow Engineer to perform the Services. Engineer shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Engineer in Task Order.

ARTICLE 15 - NONDISCLOSURE OF PROPRIETARY INFORMATION

Engineer shall consider all information provided by District and all drawings, reports, studies, design calculations, specifications, and other documents resulting from the Engineer's performance of the Services to be proprietary unless such information is available from public sources. Engineer shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of District or in response to legal process.

ARTICLE 16 - TERMINATION OF CONTRACT

16.1 The obligation to continue Services under this Agreement may be terminated by either party upon seven days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

16.2 District shall have the right to terminate this Agreement or suspend performance thereof for District's convenience upon written notice to Engineer, and Engineer shall terminate or suspend performance of Services on a schedule acceptable to District. In the event of termination or suspension for District's convenience, District will pay Engineer for all services performed and costs incurred including termination or suspension expenses. Upon

restart of a suspended project, equitable adjustment shall be made to Engineer's compensation.

ARTICLE 17 - UNCONTROLLABLE FORCES

17.1 Neither District nor Engineer shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storms, lightening, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either District or Engineer under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.

17.2 Neither party shall, however, be excused from performance if nonperformance is due to uncontrollable forces which are removable or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, removed or remedied with reasonable dispatch. The provisions of this Article shall not be interpreted or construed to require Engineer or District to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement. The Engineer will be allowed reasonable negotiated extension of time or adjustments for District initiated temporary stoppage of services.

ARTICLE 18 - MISCELLANEOUS

18.1 A waiver by either District or Engineer of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

18.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this

Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

ARTICLE 19 - INTEGRATION AND MODIFICATION

19.1 This Agreement (consisting of pages 1 to 14), together with all Task Orders executed by the undersigned, is adopted by District and Engineer as a complete and exclusive statement of the terms of the Agreement between District and Engineer. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the District and Engineer pertaining to the Services, whether written or oral.

19.2 The Agreement may not be modified unless such modifications are evidenced in writing signed by both District and Engineer.

ARTICLE 20 - SUCCESSORS AND ASSIGNS

20.1 District and Engineer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

20.2 Neither District nor Engineer shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Engineer from employing such independent engineers, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 7.

20.3 Nothing herein shall be construed to give any rights or benefits to anyone other than District and Engineer.

ARTICLE 21 – INFORMATION SYSTEM SECURITY

When the District determines this article is applicable, the Engineer shall obtain written approval from the District representative prior to accessing District internal systems through real-time computer connections. Upon approval, the Engineer will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, the Engineer shall:

a) Be running a current operating system supported by the District with up-to-date security patches applied as defined in the District COE/Non-COE document.

b) Have anti-virus software installed on his/her personal computer with up-to-date virus signatures.

c) Have personal firewall software installed and enabled on their computer.

d) Understand and sign the District's Electronic Equipment Use Policy, number 2160.

The District reserves the right to audit the security measures in effect on Engineer's connected systems without prior notice. The District also reserves the right to terminate network connections immediately with all Engineer's systems not meeting the above requirements.

ARTICLE 22 – EMPLOYEE BACKGROUND CHECK

Engineer, at no additional expense to the District, shall conduct a background check for each of its employees, as well as for the employees of its subconsultants (collectively "Consultant Employees") who will have access to District's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on the District's premises. The minimum background check process for any District consultant shall include, but not be limited to

1. California residents: Criminal Records (County and State Criminal Felony and Misdemeanor
2. Out of State residents: Federal criminal search of the National Criminal Database,

The background check shall be conducted and the results submitted to the District prior to initial access by Consultant Employees. If at any time, it is discovered that a Consultant Employee has a criminal record that includes a felony or misdemeanor, the Engineer is required to inform the District immediately and the District will assess the circumstances surrounding the conviction, time frame, nature, gravity, and relevancy of the conviction to the job duties, to determine whether the Consultant Employee will be placed or remain on a District assignment. The District may withhold consent at its sole discretion. The District may also conduct its own criminal background check of the Consultant Employees.

Failure of the Engineer to comply with the terms of this paragraph may result in the termination of its contract with the District.

ARTICLE 23 - EXCEPTIONS

No exceptions.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT

By: _____
Paul R. Eldredge, P.E.
General Manager/District Engineer

Date: _____

CAROLLO ENGINEERS, INC.

By: _____
Scott E. Parker, P.E.
Senior Vice President

Date: _____

By: _____
Rick L. Chan, P.E.
Senior Vice President

Date: _____

SODIUM HYPOCHLORITE LOOP IMPROVEMENTS PROJECT

TASK ORDER NO. 1

TO

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

CAROLLO ENGINEERS, INC.

FOR

PROFESSIONAL SERVICES

Dated _____

1. PURPOSE

The purpose of Task Order No. 1 is for Carollo Engineers, Inc. (Engineer) to provide design services for the Sodium Hypochlorite Loop Improvements Project (Project).

2. PROJECT UNDERSTANDING

The Union Sanitary District's (District) Alvarado Wastewater Treatment Plant (WWTP) has a number of plant improvement needs. The purpose of this Project is to provide design services to implement these improvements.

Anticipated major rehabilitation and modifications under the final design are as follows:

- Replace approximately 2,700 linear feet (LF) of above grade sodium hypochlorite loop piping, pipe supports, and appurtenances. Approximately 300 LF of this piping will only require the containment pipe to be replaced.
- Replace approximately 500 LF of sodium hypochlorite loop piping, pipe supports, and appurtenances located within a trench. Some of the existing pipe trenches will require replacement or repair depending on the field assessment.

- Replace 13 odor scrubber panel piping assemblies to match the existing Thickener Control Building odor scrubber panel assembly.
- Replace sodium hypochlorite piping and appurtenances from the odor scrubber panel to the odor scrubbers at 13 locations.
- Replace approximately 1,700 LF of other above grade sodium hypochlorite lines, pipe supports, and appurtenances that are used to feed elutriation, influent, effluent, and RAS.
- Add a hot water system to enable flushing of two TPS flowmeters. It is assumed that power for this improvement will be derived from an existing panelboard located within the Thickener Electrical Building.
- Subdivide the existing heat tracing system for the TPS sludge piping into smaller segments. It is assumed that power for this improvement will be derived from an existing panelboard located within the Thickener Electrical Building.
- Add a concrete fillet to Headworks Channel 3's 90-degree channel bend to smooth out the flow stream and potentially even out grit deposits across the width of the Headworks Channel 3 screen.
- Add a channel bubble mixing system to the floor of Headworks Channel 3 to potentially lift and mix grit deposits prior to startup or during operation of the Headworks Channel 3 screen.
- Add instruments to Primary Digester No. 7 as described in Change Order Request (COR) No. 48 and 53 provided by the District.

3. PROJECT COORDINATION

All work related to this task order shall be coordinated through the District's Project Manager, Derek Chiu.

4. SCOPE OF SERVICES

The task numbers in this Scope of Services are associated with the labor and budget estimate presented in Exhibit A.

Task 1 – Project Management and Meetings

Task 1.1 – Project Management

Engineer shall monitor and track overall project scope, budget, and schedule. Engineer shall prepare and submit a monthly progress report to the District which will include an invoice, show percentage of work completed, and the percentage of contract billed, and summarize the work completed to during the month.

Task 1.2 – Kickoff Meeting

Engineer shall conduct a one-hour virtual Kickoff Meeting with key project participants. Engineer's staff in attendance will include the Principal-in-Charge, Project Manager, and other engineers as-needed. The meeting will present the initial design concepts for each project element and the schedule and budget, as well as communication and project team roles/responsibilities.

Task 2 – Final Design

Task 2.1 – Preparation of Contract Documents

The following design items will be included in the Contract Documents. Included in the following items are record drawing review, project element meetings, site visits, and responses to 50 percent and 90 percent submittal review comments provided by the District. The 50 percent, 90 percent, and final design submittals will be produced along with preliminary construction cost estimates for each submittal stage.

- Sodium Hypochlorite Loop Replacement:
    - Attend one 4-hour in-person meeting with District staff to solicit input and design replacement preferences for the sodium hypochlorite loop piping, control panels, pipe trenches, and other sodium hypochlorite piping runs.
    - Conduct 1.5 days of field investigation that includes assessing the condition of the concrete trenches and confirming details of the various hypochlorite piping and equipment configurations.
    - Perform design replacement of approximately 2,700 LF of above grade sodium hypochlorite loop piping, pipe supports, and appurtenances. Approximately 300 LF of this piping will only require the containment pipe to be replaced.
    - Perform design replacement of approximately 500 LF of sodium hypochlorite loop piping, pipe supports, and appurtenances located within a trench. Some of the existing pipe trenches will require replacement or repair depending on the field assessment.
    - Perform design replacement of 13 odor scrubber panel piping assemblies to match the existing Thickener Control Building odor scrubber panel assembly.
    - Perform design replacement of sodium hypochlorite piping and appurtenances from the odor scrubber panel to the odor scrubbers at 13 locations.
    - Perform design replacement of approximately 1,700 LF of other above grade sodium hypochlorite lines, pipe supports, and appurtenances that are used to feed elutriation, influent, effluent, and RAS.

    - It is assumed that no new field survey, potholing, geotechnical, and electrical/instrumentation services are needed for this element.
- Thickened Primary Sludge Flowmeters Flushing:
    - Attend one 2-hour virtual meeting with District staff to review and solicit input on the O&M history of the TPS flowmeters.
    - Evaluate alternatives to perform hot water flushing of the two TPS flowmeters by assessing requirements for a new hot water heater, piping connections, and power supply demands of the hot water flushing system.
    - Perform mechanical, electrical, and instrumentation design of the recommended hot water flushing system. It is assumed that power for this improvement will be derived from an existing panelboard located within the Thickener Electrical Building.
- Thickened Primary Sludge Piping Heat Tracing:
    - Attend one 2-hour virtual meeting with District staff to review and solicit input on the operation of the existing heat tracing system.
    - Evaluate and recommend alternatives to subdivide the existing heat tracing system into smaller segments.
    - Perform mechanical, electrical, and instrumentation design of the recommended subdivided heat tracing segments. It is assumed that power for this improvement will be derived from an existing panelboard located within the Thickener Electrical Building.
- Headworks Screening Channel 3 Improvements:
    - Attend one 4-hour site visit to meet with District staff to solicit input on the operation of the screening facility and to perform visual assessment of the grit buildup in Headworks Screening Channel 3.
    - Evaluate modifications to operating procedures of all three screens, as well as assess potential simple structural and/or mechanical improvements to prevent grit buildup from impeding the operation of the intermittent Channel 3 screen. For the structural improvement, it is assumed that addition of a concrete fillet to Headworks Channel 3's 90-degree channel bend will help smooth out the flow stream sufficiently enough to even out grit deposits across the width of the Headworks Channel 3 screen. For the mechanical improvement, it is assumed that addition of a bubble mixing system (like Pulsair or traditional channel aeration) will be sufficiently enough to lift and mix grit deposits across the width of the Headworks Channel 3 screen. It is assumed that power for the mechanical improvement will be derived from an existing panelboard located within the Headworks Building.
- Primary Digester No. 7 Instruments:
    - Provide remote readouts at temperature and flow meter transmitters in HMB4 per COR No. 48.00 dated 7/12/2021.

- Add remote readouts to Transfer Pumps flow meter transmitters per COR No. 52.00 dated 9/7/2021.

Assumptions

- The District will provide front end documents for inclusion in the bid documents. Engineer shall modify the District's front-end documents to conform to Project requirements.
- The District will provide an existing aerial topographic survey drawing of the WWTP in AutoCAD format for Engineer to use as the base topographic site drawing for the Project.
- The District will provide existing geotechnical investigations available for Engineer to use to perform foundation designs for the new sodium hypochlorite loop pipe trenches
- During design, the District will perform hazardous material testing for demolition and Engineer shall review the testing report. Contractor shall be required to perform their own hazardous materials testing during construction to confirm the presence of any hazardous materials.
- Any required permits will be obtained by the District. Permitting services are not included in this scope.
- No major civil site work, such as extensive yard piping or paving and grading, is anticipated except for areas associated with work elements on this Project. All major piping replacement work will be shown on mechanical sheets unless noted otherwise.
- No temporary piping systems will be shown on the drawings. Temporary piping, if required, will be described in the specifications only.
- The District will provide the Engineer with review comments on the 50 and 90 percent design submittal within two (2) weeks after each submittal review meeting. The 50 and 90 percent submittal review meetings will be conducted within one (1) week after each submittal.
- Drawings and specifications will conform to USD Capital Improvement Projects Design Standards, June 2013.
- The 50 and 90 percent design submittals will be provided in PDF format only. The final design submittal will include both PDF format and AutoCAD drawings.

Task 2.2 – Design Submittal Meetings

Engineer shall conduct virtual 50 and 90 percent submittal review meetings to present the design, including preliminary work sequencing constraints and construction cost estimates. Engineer shall prepare and provide meeting minutes. Beecher Engineering will not attend any review meetings.

Task 3 – Bid Period Services

Engineer shall support the District's bidding efforts on an as-requested basis. Anticipated services include attendance at the pre-bid meeting and preparation of one (1) addendum.

Task 3.1 - Attend Pre-Bid Meeting

Engineer shall attend a virtual pre-bid meeting to be led by the District. Engineer's role in the meeting is to answer questions related to technical requirements of the contract where answers are known and presented in the documents and accept any questions that may require further clarification through issuance of an addendum.

Task 3.2 - Prepare Addenda

Engineer shall prepare one (1) addendum and respond formally to contractor's submitted questions.

Assumptions

- District will serve as the primary contact for the contractor's technical questions during the bid period.
- District will print and distribute bid documents and the addendum.

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. The billing rate schedule is equivalent to an overall labor multiplier of 3.21 for office staff, including profit. Subconsultants and outside services will be billed at actual cost plus 5 percent; other direct costs will be billed at actual cost; and mileage will be billed at prevailing IRS standard rate.

The not-to-exceed amount for Task Order No. 1 is $280,298. A summary of the anticipated labor and budget estimate for each task is shown in Exhibit A.

The following table summarizes the previously executed and proposed task orders and amendments, if any, under the Agreement:

Task Order / Amendment	Not to Exceed Amount	Board Authorization Required?	District Staff Approval
Task Order No. 1 - Design Services	$280,298	Yes	Paul Eldredge
Total	**$280,298**		

6. TIME OF COMPLETION

All work defined in this Task Order shall be completed in 260 calendar days after the execution of this Task Order and subject to the conditions of Article 3 of this Agreement. Anticipated schedule for completion of Engineer's scope of services is summarized as follows:

- Notice to Proceed (NTP): December 13, 2021.
- Kick-off Meeting: Week of January 3, 2022.
- 50 Percent Design Submittal: Week of February 21, 2022.
- 50 Percent Submittal Review Meeting: Week of March 7, 2022.
- 90 Percent Design Submittal: Week of April 18, 2022.
- 90 Percent Submittal Review Meeting: Week of April 25, 2022.
- Final Design Submittal: Week of May 16, 2022.
- Bid Period (4 weeks): Through June 17, 2022.
- Notice of Award (5 weeks): August 2022.

7. KEY PERSONNEL

Engineer's personnel assigned to this Task Order No. 1 are as follows:

Key Person to be Assigned	Role
Scott Parker	Principal-in-Charge
Rick Chan	Project Manager
Jim Wesley	Sodium Hypochlorite Piping Engineer
Rashi Gupta	Sludge Piping Engineer
Todd Beecher	Electrical/I&C Engineer

Key personnel will not be changed except in accordance with Article 8 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of _____ and therewith incorporate it as part of the Agreement.

DISTRICT

UNION SANITARY DISTRICT

By: _____
Paul R. Eldredge, P.E.
General Manager/District Engineer

Date: _____

ENGINEER

CAROLLO ENGINEERS, INC.

By: _____
Scott E. Parker, P.E.
Senior Vice President

Date: _____

By: _____
Rick L. Chan, P.E.
Senior Vice President

Date: _____

EXHIBIT A

UNION SANITARY DISTRICT
SODIUM HYPOCHLORITE LOOP IMPROVEMENTS PROJECT
LABOR AND BUDGET ESTIMATE

									Other Direct Costs (ODC)							
		SP	LPP	PP	CAD	WP	Total	Labor	Subconsultants		Markup	PECE	Mileage		ODC	Total
Task	Task Description	$324	$278	$225	$155	$132	Hours	Cost	Name	Amount	5%	$13.00	Trips	Amount	Total	Cost
1	Project Management and Kickoff Meeting	16	8	8	0	0	32	$9,205	Beecher	$1,680	$84	$416			$2,180	$11,385
2	Final Design															
	2.1 - Preparation of Contract Documents															
	2.1.1 - Sodium Hypochlorite Loop Replacement	43	62	352	312	47	816	$165,050					2	$100	$100	$165,150
	2.1.2 - Thickened Primary Sludge Flowmeters Flushing	6	21	20	19	3	69	$15,603	Beecher	$11,340	$567	$897	1	$50	$12,854	$28,457
	2.1.3 - Thickened Primary Sludge Piping Heat Tracing	2	4	20	19	3	48	$9,586	Beecher	$11,340	$567	$624	1	$50	$12,581	$22,167
	2.1.4 - Headworks Screening Channel 3 Improvements	8	15	27	16	2	68	$15,513	Beecher	$6,300	$315	$884	1	$50	$7,549	$23,062
	2.1.5 - Primary Digester No. 7 Instruments	1	0	0	3	0	4	$790	Beecher	$9,240	$462	$52	1	$50	$9,804	$10,594
	2.2 - Design Submittal Meetings (50%/90%)	8	8	16	0	0	32	$8,411	Beecher	$840	$42	$416			$1,298	$9,709
3	Bid Period Services	2	2	24	8	4	40	$8,372	Beecher	$840	$42	$520			$1,402	$9,774
	Total:	**86**	**120**	**467**	**377**	**59**	**1,109**	**$232,530**		**$41,580**	**$2,079**	**$3,809**	**6**	**$300**	**$47,768**	**$280,298**
Optional Tasks																

Legend:

SP Senior Professional - Chan, Parker
LPP Lead Project Professional - Gupta, Wickstrom
PP Project Professional - Wesley, Chaggar
CAD CAD Designer/Graphics
WP Word Processor/Support Staff

Notes:

1. Labor rate schedule shown is equivalent to a multiplier of 3.21.
2. Mileage is based on 86 miles round trip @ IRS standard rate.
3. Subconsultant mark-up is 5%.
4. Beecher (EI&C)'s labor rate is $210/hr.
5. PECE = Project equipment and communication expense.

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 16

TITLE: **Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Headworks Degritting Study (*This is a motion item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Technical Services Work Group Manager
Raymond Chau, CIP Team Coach
Derek Chiu, Assistant Engineer

Recommendation

Staff recommends the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Hazen and Sawyer (Hazen) in the amount of $199,810 for the Headworks Degritting Study (Study).

Discussion

The purpose of Task Order No. 1 is to authorize Hazen to conduct a study to evaluate the construction sequence and constraints of the future Headworks Degritting Improvement project, as well as several other future projects at the Alvarado Wastewater Treatment Plant (WWTP), and how these projects should be coordinated with the Enhanced Treatment & Site Upgrade (ETSU) and other Capital Improvement Program (CIP) construction projects. These future projects include the Headworks Degritting Improvements Project, the odor control system replacement at the two primary clarifier buildings and the Headworks Building, and the seismic upgrade of the Primary Clarifiers No. 1-4 Building.

The future projects mentioned above are planned to be constructed during the same period as the ETSU Phase 1 projects and other CIP projects. This Study will help staff plan and coordinate the construction activities and their schedules so that impact to the plant process is minimized. Figure 1 shows the locations of the various projects.

Hazen will evaluate the WWTP's operational requirements and constraints for the treatment processes that will be impacted during construction of the future projects, as well as other site constraints associated with the operation and maintenance activities and other construction projects. For each future project, Hazen will develop the conceptual design layout of the replacement equipment and the contractors' work and staging areas. With staff input, Hazen will recommend the construction sequence and constraints to be included in the scope of the future projects and will develop concept-level construction cost estimates.

Hazen's scope of services and fee for Task Order No. 1 are summarized below:

Task No.	Task Description	Fee
1	Review and Evaluate Existing Documents	$6,520
2	Site Visit	$9,150
3	Headworks Degritting Design	$43,780
4	Odor Scrubber Replacement Design	$51,450
5	Primary Clarifier Seismic Upgrade Design	$32,880
6	Construction Sequencing	$19,460
7	Cost Estimating	$7,200
8	Technical Memorandum	$29,370
	Total Not-to-Exceed Task Order Fee	**$199,810**

Staff has reviewed the proposed fee and found it to be reasonable based on the level of effort involved. All work under this task order is expected to be completed by fall 2022.

Background

A summary of the future projects is provided below.

Headworks Degritting Improvements Project

The Headworks Building does not currently remove grit prior to influent flows reaching the primary clarifiers. This results in grit accumulating inside Control Box No. 1 located just downstream of the Headworks and further downstream, which causes operational and maintenance challenges throughout the WWTP. Adding new degritting equipment at the Headworks Building is anticipated to address this issue.

Odor Scrubber Replacement Project(s) at the Primary Clarifiers and Headworks Buildings

The existing odor control equipment at the Primary Clarifiers 1-4 Building, Primary Clarifiers 5 and 6 Building, and the Headworks Building were originally installed at the WWTP during the 1985 Plant Expansion Project with several of the odor scrubber towers relocated from old/demolished processes during subsequent projects. There are currently two odor scrubber

towers at the Primary Clarifiers 1-4 Building, two at the Headworks Building, and three at the Primary Clarifiers 5 and 6 Building that are planned to be replaced in this project.

Primary Clarifiers No. 1-4 Seismic Upgrade Project

The District previously completed a seismic study of the Primary Clarifiers 1-4 Building and seismic upgrades were recommended for the roof. In addition to the seismic work, the roofing will be replaced, fall protection will be installed at the skylights, and guardrail will be installed around the entire perimeter of the building's roof.

Previous Board Action

None.

PRE/SEG/RC/DC;mb

Attachments: Figure 1 – Site Plan
Agreement
Task Order No. 1

Figure 1 - Headworks Degritting Study Site Plan

HEADWORKS DEGRITTING STUDY

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

HAZEN AND SAWYER

FOR

PROFESSIONAL SERVICES

THIS IS AN AGREEMENT MADE AS OF _____, BETWEEN UNION SANITARY DISTRICT (hereinafter referred to as District), and HAZEN AND SAWYER (hereinafter referred to as Engineer).

WITNESSETH:

WHEREAS, District intends to complete the Headworks Degritting Study (hereinafter referred to as Project), and,

WHEREAS, District requires certain professional services in connection with the Project (hereinafter referred as Services); and

WHEREAS, Engineer is qualified and prepared to provide such Services;

NOW, THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

ARTICLE 1 - SERVICES TO BE PERFORMED BY ENGINEER

1.1 Specific Services and the associated scope of services, payment, schedule, and personnel will be defined in specific Task Order as mutually agreed by District and Engineer.

1.2 All Task Orders will by reference incorporate the terms and conditions of this Agreement, and become formal amendments hereto.

ARTICLE 2 - COMPENSATION

2.1 Compensation for consulting services performed under this Agreement shall include:

(1) Direct labor costs, multiplied by an agreed upon fixed factor (the Multiplier), to compensate for fringe benefits, indirect costs, and profit.

(2) Non-labor direct project charge not included in the fixed factor and acceptable, without any markup.

(3) Subconsultant costs, with a maximum markup of 5%.

Definitions are as follows:

(a) Direct labor is salaries and wages paid to personnel for time directly chargeable to the project. Direct labor does not include the cost of Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, and medical and retirement benefits nor the cost of the time of executive and administrative personnel and others whose time is not identifiable to the project.

(b) Fringe benefits include Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, medical and retirement benefits, incentive pay, tuition, and other costs classified as employee benefits.

(c) Indirect costs are allocations of costs that are not directly chargeable to a specific engagement and are commonly referred to as Engineer's overhead. Indirect costs include provisions for such things as clerical support, office space, light and heat, insurance, statutory and customary employee benefits, and the time of executive and administrative personnel and others whose time is not identifiable to the Project or to any other project. Under no circumstances can the same labor costs be charged as direct labor and also appear at the same time as indirect costs, and vice versa.

(d) The Multiplier is a multiplicative factor which is applied to direct labor costs, and compensates Engineer for fringe benefits and indirect costs (overhead) and profit.

(e) Other non-labor direct project charges shall be included in the overhead and these charges include typical expenses as cost of

transportation and subsistence, printing and reproduction, computer time and programming costs, identifiable supplies, outside consultant's charges, subcontracts, and charges by reviewing authorities."

Alternatively, the District and the Engineer may agree to utilize the fully-encumbered hourly rates and fees for Services performed by the Engineer. These hourly rates and fees shall be based on the Engineer's rate schedule published at the time this Agreement or Task Order is executed and shall be attached to each applicable Task Order.

2.2 Reimbursement for mileage shall not exceed the prevailing Internal Revenue Service's standard mileage rate.

2.3 A *Cost Ceiling* will be established for each Task Order which is based upon estimated labor-hours and cost estimates. Costs as described above, comprising direct labor, overhead cost, and other direct costs, shall be payable up to a Cost Ceiling as specified in the Task Order. A *Maximum Fee Ceiling,* or *Task Order Firm Ceiling*, will also be established for each Task Order which includes the Cost Ceiling plus the Professional Fee.

2.4 Engineer shall invoice District monthly for the actual costs incurred, and a pro-rated portion of the Professional Fee for work performed during the previous month. If the Maximum Fee Ceiling is reached, the Engineer will complete the agreed-upon work for the Maximum Fee Ceiling. With District staff approval, labor hours may be reallocated within the tasks without renegotiation in such a manner so as not to exceed the Maximum Fee Ceiling.

2.5 The Engineer shall provide the District with a review of the budget amounts when 75 percent of the Cost Ceiling for any task has been expended. Engineer may request a revision in the Cost Ceiling for performance of this Agreement, and will relate the rationale for the revision to the specific basis of estimate as defined in the Scope of Services. Such notification will be submitted to the District at the earliest possible date. The authorized Cost Ceiling shall not be exceeded without written approval of the District.

2.6 The Professional Fee will not be changed except in the case of a written amendment to the Agreement which alters the Scope of Services. District and Engineer agree to negotiate an increase or decrease in Cost Ceiling and Professional Fee for any change in Scope of Services required at any time during the term of this Agreement. Engineer will not commence work on the altered Scope of Services until authorized by District.

2.7 Direct labor rates are subject to revision to coincide with Engineer's normal salary review schedule. Adjustments in direct labor rates shall not affect the firm ceiling without prior written authorization of the District.

2.8 District shall pay Engineer in accordance with each Task Order for Services.

2.9 Engineer shall submit monthly statements for Services rendered. District will make prompt monthly payments in response to Engineer's monthly statements.

ARTICLE 3 - PERIOD OF SERVICE

3.1 Engineer's services will be performed and the specified services rendered and deliverables submitted within the time period or by the date stipulated in each Task Order.

3.2 Engineer's services under this Agreement will be considered complete when the services are rendered and/or final deliverable is submitted and accepted by District.

3.3 If any time period within or date by which any of the Engineer's services are to be completed is exceeded through no fault of Engineer, all rates, measures and amounts of compensation and the time for completion of performance shall be subject to equitable adjustment.

ARTICLE 4 - DISTRICT'S RESPONSIBILITIES

District will do the following in a timely manner so as not to delay the services of Engineer.

4.1 Provide all criteria and full information as to District's requirements for the services assignment and designate in writing a person with authority to act on District's behalf on all matters concerning the Engineer's services.

4.2 Furnish to Engineer all existing studies, reports and other available data pertinent to the Engineer's services, obtain or authorize Engineer to obtain or provide additional reports and data as required, and furnish to Engineer services of others required for the performance of Engineer's services hereunder, and Engineer shall be entitled to use and rely upon all such information and services provided by District or others in performing Engineer's services under this Agreement.

4.3 Arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder.

4.4 Perform such other functions as are indicated in each Task Order related to duties of District.

4.5 Bear all costs incident to compliance with the requirements of this Section.

ARTICLE 5 - STANDARD OF CARE

5.1 Engineer shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional Engineer under similar circumstance and Engineer shall, at no cost to District, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE 6 - OPINIONS OF COST AND SCHEDULE

6.1 Since Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over contractors', subcontractors' , or vendors' methods of determining prices, or over competitive bidding or market conditions or economic conditions, Engineer's cost estimate and economic analysis shall be made on the basis of qualification and experience as a professional engineer.

6.2 Since Engineer has no control over the resources provided by others to meet contract schedules, Engineer's forecast schedules shall be made on the basis of qualification and experience as a professional Engineer.

6.3 Engineer cannot and does not guarantee that proposals, bids or actual project costs will not vary from his cost estimates or that actual schedules will not vary from his forecast schedules.

ARTICLE 7 - SUBCONTRACTING

7.1 No subcontract shall be awarded by Engineer until prior written approval is obtained from the District.

ARTICLE 8 - ENGINEER-ASSIGNED PERSONNEL

8.1 Engineer shall designate in writing an individual to have immediate responsibility for the performance of the services and for all matters relating to performance under this Agreement. Key personnel to be assigned by Engineer will be stipulated in each Task Order. Substitution of any assigned person shall require the prior written approval of the District, which shall not be unreasonably withheld. If the District determines that a proposed substitution is not responsible or qualified to perform the services then, at the request of the District, Engineer shall substitute a qualified and responsible person.

ARTICLE 9 - OWNERSHIP OF DOCUMENTS

9.1 All work products, drawings, data, reports, files, estimate and other such information and materials (except proprietary computer programs, including source codes purchased or developed with Engineer monies) as may be accumulated by Engineer to complete services under this Agreement shall be owned by the District.

9.2 Engineer shall retain custody of all project data and documents other than deliverables specified in each Task Order, but shall make access thereto available to the District at all reasonable times the District may request. District may make and retain copies for information and reference.

9.3 All deliverables and other information prepared by Engineer pursuant to this Agreement are instruments of service in respect to this project. They are not intended or represented to be suitable for reuse by District or others on extensions of this Project or on any other project. Any reuse without written verification or adaptation by Engineer for the specific purpose intended will be at District's sole risk and without liability or legal exposure to Engineer; and District shall indemnify and hold harmless Engineer against all claims, damages, losses, and expenses including attorney's fees arising out of or resulting from such reuse. Any such verification or adaptation will entitle Engineer to further compensation at rates to be agreed upon by District and Engineer.

ARTICLE 10 - RECORDS OF LABOR AND COSTS

10.1 Engineer shall maintain for all Task Orders, records of all labor and costs used in claims for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; a methodology and

calculation of the Multiplier for fringe benefits and indirect costs; and invoices, time sheets, or other factors used as a basis for determining other non-labor Project charges. These records must be made available to the District upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.

10.2 After delivery of Services (completion of Task Orders) under this Agreement, the Engineer's records of all costs used in claims for compensation under this Agreement shall be available to District's accountants and auditors for inspection and verification. These records will be maintained by Engineer and made reasonably accessible to the District for a period of three (3) years after completion of Task Orders under this Agreement.

10.3 Engineer agrees to cooperate and provide any and all information concerning the Project costs which are a factor in determining compensation under this Agreement as requested by the District or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.

10.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for District to refuse payment of any statement submitted by the Engineer and for a back charge for any District funds, including interest from payment; or grant, matching, or other funds from agencies assisting District in financing the Services specified in this Agreement.

ARTICLE 11 - INSURANCE

Engineer shall provide and maintain at all times during the performance of the Agreement the following insurances:

11.1 Workers' Compensation and Employer's Liability Insurance for protection of Engineer's employees as required by law and as will protect Engineer from loss or damage because of personal injuries, including death to any of his employees.

11.2 Comprehensive Automobile Liability Insurance. Engineer agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability. This policy shall protect Engineer against all liability arising out of the use of owned or leased automobiles both passenger and commercial. Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits

of liability for Comprehensive Automobile Liability Insurance shall not be less than $1,000,000 Combined Single Limit.

11.3 Comprehensive General Liability Insurance as will protect Engineer and District from any and all claims for damages or personal injuries, including death, which may be suffered by persons, or for damages to or destruction to the property of others, which may arise from the Engineer's operations under this Agreement, which insurance shall name the District as additional insured. Said insurance shall provide a minimum of $1,000,000 Combined Single Limit coverage for personal injury, bodily injury, and property damage for each occurrence and aggregate. Such insurance will insure Engineer and District from any and all claims arising from the following:

1. Personal injury;
2. Bodily injury;
3. Property damage;
4. Broad form property damage;
5. Independent contractors;
6. Blanket contractual liability.

11.4 Engineer shall maintain a policy of professional liability insurance, protecting it against claims arising out of negligent acts, errors, or omissions of Engineer pursuant to this Agreement, in an amount of not less than $1,000,000. The said policy shall cover the indemnity provisions under this Agreement.

11.5 Engineer agrees to maintain such insurance at Engineer's expense in full force and effect in a company or companies satisfactory to the District. All coverage shall remain in effect until completion of the Project.

11.6 Engineer will furnish the District with certificates of insurance and endorsements issued by Engineer's insurance carrier and countersigned by an authorized agent or representative of the insurance company. The certificates shall show that the insurance will not be cancelled without at least thirty (30) days' prior written notice to the District. The certificates for liability insurance will show that liability assumed under this Agreement is included. The endorsements will show the District as an additional insured on Engineer’s insurance policies for the coverage required in Article 11 for services performed under this Agreement, except for workers’ compensation and professional liability insurance.

11.7 Waiver of Subrogation: Engineer hereby agrees to waive subrogation which any insurer of Engineer may acquire from Engineer by virtue of the payment of any loss. Engineer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the District for all work performed by the Engineer, its employees, agents and subconsultants.

ARTICLE 12 - LIABILITY AND INDEMNIFICATION

12.1 Having considered the risks and potential liabilities that may exist during the performance of the Services, and in consideration of the promises included herein, District and Engineer agree to allocate such liabilities in accordance with this Article 12. Words and phrases used in this Article shall be interpreted in accordance with customary insurance industry usage and practice.

12.2 Engineer shall indemnify and save harmless the District and all of their agents, officers, and employees from and against all claims, demands, or causes of action of every name or nature to the extent caused by the negligent error, omission, or act of Engineer, its agents, servants, or employees in the performance of its services under this Agreement. In no event shall Engineer's costs to defend the District exceed the Engineer's proportionate percentage of negligence or fault, based upon a final judicial determination, except that if one or more defendants in an action are unable to pay its share of defense costs due to bankruptcy or dissolution, Engineer shall meet and confer with the other defendant parties regarding defense costs.

12.3 In the event an action for damages is filed in which negligence is alleged on the part of District and Engineer, Engineer agrees to defend District. In the event District accepts Engineer's defense, District agrees to indemnify and reimburse Engineer on a pro rata basis for all expenses of defense and any judgment or amount paid by Engineer in resolution of such claim. Such pro rata share shall be based upon a final judicial determination of proportionate negligence or, in the absence of such determination, by mutual agreement.

12.4 Engineer shall indemnify District against legal liability for damages arising out of claims by Engineer's employees. District shall indemnify Engineer against legal liability for damages arising out of claims by District's employees.

12.5 Indemnity provisions will be incorporated into all Project contractual arrangements entered into by District and will protect District and Engineer to the same extent.

12.6 Upon completion of all services, obligations and duties provided for in the Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.

12.7 To the maximum extent permitted by law, Engineer's liability for District's damage will not exceed the aggregate compensation received by Engineer under this Agreement or the maximum amount of professional liability insurance available at the time of any settlement or judgment, which ever is greater.

ARTICLE 13 - INDEPENDENT CONTRACTOR

Engineer undertakes performance of the Services as an independent contractor and shall be wholly responsible for the methods of performance. District will have no right to supervise the methods used, but District will have the right to observe such performance. Engineer shall work closely with District in performing Services under this Agreement.

ARTICLE 14 - COMPLIANCE WITH LAWS

In performance of the Services, Engineer will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. Engineer shall procure the permits, certificates, and licenses necessary to allow Engineer to perform the Services. Engineer shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Engineer in Task Order.

ARTICLE 15 - NONDISCLOSURE OF PROPRIETARY INFORMATION

Engineer shall consider all information provided by District and all drawings, reports, studies, design calculations, specifications, and other documents resulting from the Engineer's performance of the Services to be proprietary unless such information is available from public sources. Engineer shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of District or in response to legal process.

ARTICLE 16 - TERMINATION OF CONTRACT

16.1 The obligation to continue Services under this Agreement may be terminated by either party upon seven days written notice in the event of substantial

failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

16.2 District shall have the right to terminate this Agreement or suspend performance thereof for District's convenience upon written notice to Engineer, and Engineer shall terminate or suspend performance of Services on a schedule acceptable to District. In the event of termination or suspension for District's convenience, District will pay Engineer for all services performed and costs incurred including termination or suspension expenses. Upon restart of a suspended project, equitable adjustment shall be made to Engineer's compensation.

ARTICLE 17 - UNCONTROLLABLE FORCES

17.1 Neither District nor Engineer shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storms, lightening, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either District or Engineer under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.

17.2 Neither party shall, however, be excused from performance if nonperformance is due to uncontrollable forces which are removable or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, removed or remedied with reasonable dispatch. The provisions of this Article shall not be interpreted or construed to require Engineer or District to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement. The Engineer will be allowed reasonable negotiated extension of time or adjustments for District initiated temporary stoppage of services.

ARTICLE 18 - MISCELLANEOUS

18.1 A waiver by either District or Engineer of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

18.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

ARTICLE 19 - INTEGRATION AND MODIFICATION

19.1 This Agreement (consisting of pages 1 to 14), together with all Task Orders executed by the undersigned, is adopted by District and Engineer as a complete and exclusive statement of the terms of the Agreement between District and Engineer. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the District and Engineer pertaining to the Services, whether written or oral.

19.2 The Agreement may not be modified unless such modifications are evidenced in writing signed by both District and Engineer.

ARTICLE 20 - SUCCESSORS AND ASSIGNS

20.1 District and Engineer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

20.2 Neither District nor Engineer shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this

paragraph shall prevent Engineer from employing such independent engineers, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 7.

20.3 Nothing herein shall be construed to give any rights or benefits to anyone other than District and Engineer.

ARTICLE 21 – INFORMATION SYSTEM SECURITY

When the District determines this article is applicable, the Engineer shall obtain written approval from the District representative prior to accessing District internal systems through real-time computer connections. Upon approval, the Engineer will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, the Engineer shall:

a) Be running a current operating system supported by the District with up-to-date security patches applied as defined in the District COE/Non-COE document.

b) Have anti-virus software installed on his/her personal computer with up-to-date virus signatures.

c) Have personal firewall software installed and enabled on their computer.

d) Understand and sign the District's Electronic Equipment Use Policy, number 2160.

The District reserves the right to audit the security measures in effect on Engineer's connected systems without prior notice. The District also reserves the right to terminate network connections immediately with all Engineer's systems not meeting the above requirements.

ARTICLE 22 – EMPLOYEE BACKGROUND CHECK

Engineer, at no additional expense to the District, shall conduct a background check for each of its employees, as well as for the employees of its subconsultants (collectively "Consultant Employees") who will have access to District's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on the District's premises. The minimum background check process for any District consultant shall include, but not be limited to

1. California residents: Criminal Records (County and State Criminal Felony and Misdemeanor

2. Out of State residents: Federal criminal search of the National Criminal Database,

The background check shall be conducted and the results submitted to the District prior to initial access by Consultant Employees. If at any time, it is discovered that a Consultant Employee has a criminal record that includes a felony or misdemeanor, the Engineer is required to inform the District immediately and the District will assess the circumstances surrounding the conviction, time frame, nature, gravity, and relevancy of the conviction to the job duties, to determine whether the Consultant Employee will be placed or remain on a District assignment. The District may withhold consent at its sole discretion. The District may also conduct its own criminal background check of the Consultant Employees. Failure of the Engineer to comply with the terms of this paragraph may result in the termination of its contract with the District.

ARTICLE 23 - EXCEPTIONS

No exceptions.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT	HAZEN AND SAWYER
By: _____	By: _____
Paul R. Eldredge, P.E. General Manager/District Engineer	Marc Solomon, P.E. Vice President
Date: _____	Date: _____

HEADWORKS DEGRITTING STUDY

TASK ORDER NO. 1

to

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

HAZEN AND SAWYER

FOR

PROFESSIONAL SERVICES

Dated _____

1. PURPOSE

The purpose of this Task Order is for Hazen and Sawyer (Engineer) to provide conceptual costs and layouts for headworks degritting improvements, odor scrubber replacement at the East and West Primary Clarifier Buildings and Headworks, and seismic upgrades for the West Primary Clarifier Building, and evaluate the construction sequencing and constraints in coordination with other CIP and ETSU projects.

2. PROJECT COORDINATION

All work related to this Task Order shall be coordinated through the District's Project Manager, Derek Chiu.

3. ENGINEER'S SCOPE OF SERVICES

Engineer shall provide the following specific services.

TASK 1.0 – Review and Evaluate Existing Documents
Engineer shall review existing reports, studies, drawings, figures, and other information related to upcoming projects provided by the District. Engineer is familiar with the District's site through work on other projects and will leverage this knowledge to streamline this task.

TASK 2.0 – Site Visit
Engineer shall visit the Alvarado Wastewater Treatment Plant and conduct the kickoff meeting with District personnel to discuss study scope and objectives, project background, constraints,

operation and maintenance (O&M) challenges, proposed schedule, and requests for information. Site visits shall include three Hazen staff in the field for one day. Other Hazen team members shall participate in the kickoff meeting via MS Teams.

TASK 3.0 – Headworks Degritting

Engineer shall conduct O&M interviews with plant staff via MS Teams to understand plant goals and constraints for the Headworks Degritting Improvements. Engineer shall develop a project scope that addresses the O&M challenges identified in the O&M interviews. A conceptual layout for the Headworks Degritting Improvements shall be prepared based on the project scope. The layouts shall include a site plan and process flow diagram. Two meetings and one workshop shall be conducted virtually.

TASK 4.0 – Odor Scrubber Replacement

Engineer shall conduct O&M interviews with plant staff via MS Teams to understand plant goals and constraints for the Odor Scrubber Replacement Design. Engineer shall develop a project scope that addresses the O&M challenges identified in the O&M interviews. A conceptual layout for the Odor Scrubber Replacement Design shall be prepared based on the project scope. The layouts shall include a site plan and process flow diagram. Two meetings and one workshop shall be conducted virtually.

TASK 5.0 – Primary Clarifier Seismic Upgrade

Engineer shall conduct O&M interviews with plant staff via MS Teams to understand plant goals and constraints for the Primary Clarifier Seismic Upgrade Design. Engineer shall develop a project scope that addresses the O&M challenges identified in the O&M interviews. A conceptual layout for the Primary Clarifier Seismic Upgrade Design shall be prepared based on the project scope. The layout shall include a site plan and process flow diagram. Two meetings and one workshop shall be conducted virtually.

TASK 6.0 – Construction Sequencing

Layout development, sequencing, and cost estimating shall occur hand in hand such that site constraints as well as impacts to construction and costs are considered in the proposed sequence and cost. Engineer shall evaluate the operational and construction constraints for each project and determine a construction sequence in which the projects should be constructed that optimizes the overall cost and schedule of the projects. Information developed from this task shall be included in the development of the technical memorandum (Task 8).

TASK 7.0 – Cost Estimating

Engineer shall prepare a Class 5 cost estimate for each of the projects based on the preliminary design established in Tasks 3 through 5. Information developed from this task shall be included in the development of the technical memorandum (Task 8).

TASK 8.0 – Technical Memorandum

Engineer shall prepare a draft and final technical memorandum. The memorandum shall document the preliminary design for each project, the overall construction sequence, operational constraints, and the impacts of O&M and site constraints on the proposed construction sequence. Engineer shall conduct a workshop to present and discuss the draft technical memorandum.

4. DELIVERABLES

The following deliverables are included in this Task Order:

- Meeting agendas, power point slides, and meeting minutes for all meetings and workshops
- Headworks Degritting Conceptual Draft and Final Layout
- Odor Scrubber Replacement Conceptual Draft and Final Layout
- Primary Clarifier Seismic Upgrade Conceptual Draft and Final Layout
- Draft and Final Technical Memorandum

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. The billing rate schedule is equivalent to an overall labor multiplier of 3.22, including profit. Subconsultants and outside services will be billed at actual cost plus 5%; other direct costs will be billed at actual cost; and mileage will be billed at prevailing IRS standard rate.

Total not-to-exceed amount shall be $199,810, which includes all scope items. A summary of the anticipated distribution of cost and effort hours between tasks is shown in Exhibit A.

The following table summarizes the previously-executed and proposed task orders and amendments under the Agreement:

Task Order / Amendment	Not to Exceed Amount	Board Authorization Required?	District Staff Approval
Task Order No. 1 – Headworks Degritting Feasibility Study	$199,810	Yes	Paul Eldredge
Total	**$199,810**		

6. TIME OF COMPLETION

The work defined in this Task Order No. 1 shall be complete in 39 weeks after the execution of this Task Order and is subject to the conditions of Article 3 of this Agreement. The anticipated schedule for completion of Engineer's scope of services is summarized in Exhibit B.

7. KEY PERSONNEL

Engineer's personnel assigned for this Task Order shall consist of the following individuals:

Key Person to be Assigned	Role
Marc Solomon	Principal-in-Charge
Rion Merlo	Project Manager
Jared Hartwig	Technical Expert
Kristen Smeby	Technical Expert
Amy Thurston	Technical Expert

Key personnel shall not be changed except in accordance with Article 8 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of _____ and therewith incorporate it as part of the Agreement.

DISTRICT	ENGINEER
UNION SANITARY DISTRICT	HAZEN AND SAWYER
By: _____	By: _____
Paul R. Eldredge, P.E. General Manager/District Engineer	Marc Solomon, P.E. Vice President
Date: _____	Date: _____

HEADWORKS DEGRITTING STUDY
TASK ORDER NO. 1

Exhibit A - Level of Effort Estimate

Task	Description	PM	QA/QC	Technical Expert	Technical Expert	Technical Expert	Technical Expert	Technical Expert	Task Lead	Task Lead	Task Lead	Seq.	Ops	Elec.	Env. & Permitting	Cost Est.	CAD	Support Engineer	Total Hours	Hazen Fee	ODCs	Total
		Merlo $290	Greiner $250	Pope $290	Hartwig $200	Smeby $240	Thurston $200	De Long $150	Briggs $250	Alhajri $240	Irving $210	Moretz $170	Bickerstaff $210	Yao $270	Hoek $220	Portner $200	Molino $120	Takada $150				
1.0	**Review and Evaluate Existing Documents**	**4**	**0**	**0**	**4**	**4**	**4**	**0**	**4**	**4**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28**	**$6,520**	**$0**	**$6,520**
2.0	**Site Visit**	**8**	**0**	**0**	**2**	**2**	**2**	**8**	**2**	**8**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**40**	**$8,900**	**$250**	**$9,150**
2.1	*Kickoff Meeting*	2			2	2	2	2	2	2	2											
2.2	*Site Visit*	6						6		6	6											
3.0	**Headworks Degritting Design**	**14**	**0**	**0**	**14**	**0**	**24**	**0**	**26**	**0**	**0**	**0**	**0**	**30**	**0**	**0**	**36**	**88**	**232**	**$43,780**	**$0**	**$43,780**
3.1	*O&M Interviews*	2							2					2				4				
3.2	*Conceptual Layout Development*	4			4		12		12					8			20	40				
3.3	*Workshops and Meetings*	4			4				4					8				8				
3.4	*Submittal - Draft*	2			4		8		4					8			12	24				
3.5	*Submittal - Final*	2			2		4		4					4			4	12				
4.0	**Odor Scrubber Replacement Design**	**14**	**6**	**5**	**0**	**22**	**14**	**0**	**0**	**46**	**0**	**0**	**0**	**20**	**0**	**0**	**36**	**104**	**267**	**$51,450**	**$0**	**$51,450**
4.1	*O&M Interviews*	2				2				2				2				4				
4.2	*Conceptual Layout Development*	4				4	8			16				8			20	48				
4.3	*Odor Control Modeling*			2		4				4												
4.4	*Workshops and Meetings*	4				4				4				4				16				
4.5	*Submittal - Draft*	2	4	2		4	4			12				4			12	24				
4.6	*Submittal - Final*	2	2	1		4	2			8				2			4	12				
5.0	**Primary Clarifier Seismic Upgrade Design**	**14**	**6**	**0**	**0**	**0**	**40**	**0**	**0**	**0**	**36**	**0**	**0**	**0**	**0**	**0**	**28**	**56**	**180**	**$32,880**	**$0**	**$32,880**
5.1	*O&M Interviews*	2					2				2							4				
5.2	*Conceptual Layout Development*	4					20				16						16	24				
5.3	*Workshops and Meetings*	4					6				6							8				
5.4	*Submittal - Draft*	2	4				8				8						8	16				
5.5	*Submittal - Final*	2	2				4				4						4	4				
6.0	**Construction Sequencing**	**4**	**4**	**0**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**60**	**30**	**0**	**0**	**0**	**0**	**0**	**102**	**$19,460**	**$0**	**$19,460**
7.0	**Cost Estimating**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**36**	**0**	**0**	**36**	**$7,200**	**$0**	**$7,200**
8.0	**Technical Memorandum**	**10**	**6**	**0**	**4**	**4**	**4**	**4**	**12**	**12**	**12**	**10**	**2**	**6**	**6**	**0**	**0**	**54**	**146**	**$29,120**	**$250**	**$29,370**
8.1	*Draft TM*	4	4		2	2	2	2	4	4	4	8	2	4	4			40				
8.2	*Final TM*	2	2		2	2	2	2	4	4	4	2		2	2			10				
8.3	*Workshop*	4							4	4	4							4				
	Total	**68**	**22**	**5**	**28**	**32**	**88**	**12**	**44**	**70**	**60**	**70**	**32**	**56**	**6**	**36**	**100**	**302**	**1031**	**$199,310**	**$500**	**$199,810**

HEADWORKS DEGRITTING STUDY
TASK ORDER NO. 1

Exhibit B - Project Schedule

		Total Project Weeks																																							
Task	**Description**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**
1.0	**Review and Evaluate Existing Documents**																																								
2.0	**Site Visit**																																								
2.1	*Kickoff Meeting*																																								
2.2	*Site Visit*																																								
3.0	**Headworks Degritting Design**																																								
3.1	*O&M Interviews*																																								
3.2	*Design Production*																																								
3.3	*Design Workshops and Meetings*																																								
3.4	*Design Submittal - Draft*																																								
3.5	*Design Submittal - Final*																																								
4.0	**Odor Scrubber Replacement Design**																																								
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4.3	*Odor Control Modeling*																																								
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Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM #17

TITLE: **Consider Adoption of a Resolution Authorizing the Use of Teleconference Meetings in Compliance with AB 361** ***(This is a Motion Item)***

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Karen W. Murphy, General Counsel
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

Recommendation
Adopt the attached resolution authorizing the use of teleconference meetings in compliance with AB 361.

Discussion
AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. As directed by the Board on September 27, 2021, the District is continuing to hold teleconferenced meetings as allowed under AB 361 due to the ongoing public health threat of COVID-19. The Board adopted resolutions on October 25, 2021, November 8, 2021, and November 15, 2021, authorizing the use of teleconference meetings. The attached resolution includes and reaffirms the findings required by AB 361 to allow the District to continue to hold teleconferenced meetings and adds a new reference to the Omicron variant.

As required, District staff will include a similar resolution on Board agendas every 30 days in order to allow the Board to continue to assess the need for teleconferenced meetings.

Background
AB 361 was signed into law by the Governor on September 16, 2021, and amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology as long as there is a "proclaimed state of emergency" by the Governor. This allowance also depends on state or local officials imposing or recommending measures that promote social distancing or a legislative body finding that meeting in person would present an imminent safety risk to attendees. Though adopted in the context of the pandemic, AB 361 will allow for virtual meetings during other proclaimed emergencies, such as earthquakes or wildfires, where physical attendance may present a risk.

AB 361 prohibits councils and boards from limiting public comments to those submitted in advance of the meeting and specifies that the legislative body "must provide an opportunity for the public to … offer comment in real time." (Government Code 54953(e)(2)(E). Additionally, the body must allow a reasonable time for public comment during the comment periods. The District allows for email comments to be submitted throughout Board meeting and the Board Clerk checks for emails continuously, including during the public comment portion for each agenda item.

The agenda must include information on the manner in which the public may access the meeting and provide comments remotely. AB 361 provides that if technical problems arise that result in the public's access being disrupted, the legislative body may not take any vote or other official action until the technical disruption is corrected and public access is restored.

In addition, as noted in the Discussion section above, AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. AB 361 will sunset on January 1, 2024.

Previous Board Action
11/15/21 Special Board Meeting – The Board adopted Resolution No. 2942, authorizing the use of teleconference meetings in compliance with AB 361.

11/8/21 Board Meeting – The Board adopted Resolution No. 2941, authorizing the use of teleconference meetings in compliance with AB 361.

10/25/21 Board Meeting – The Board adopted Resolution No. 2937, authorizing the use of teleconference meetings in compliance with AB 361.

9/27/21 Board Meeting – The Board directed staff to continue with teleconferenced meetings under AB 361.

RESOLUTION NO. __

A RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING THE USE OF TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361

WHEREAS, the Union Sanitary District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Union Sanitary District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, Government Code 54953(e) permits teleconferencing in the event that a state of emergency is declared by the Governor pursuant to Government Code section 8625, and that either state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body finds that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency in response to the rapid spread of the highly contagious disease known as COVID-19; and

WHEREAS, on August 3, 2021, the Health Officer of the County of Alameda adopted Order No. 21-03 stating that the Delta variant has been circulating in the County, is highly transmissible in indoor settings and requires multi-component prevention strategies to prevent spread, and that hospitalizations are increasing; and

WHEREAS, despite ongoing efforts to promote masking and vaccinations, COVID-19 continues to threaten the health and lives of the public, especially with the existence of the Delta variant, which is highly transmissible in indoor settings, and the new Omicron variant; and

WHEREAS, the increased risk of contracting COVID-19 associated with being indoors with others has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District; and

WHEREAS, on October 25, 2021, the Board adopted Resolution No. 2937, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on November 8, 2021, the Board adopted Resolution No. 2941, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on November 15, 2021, the Board adopted Resolution No. 2942, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, the Board now desires to reaffirm and make the findings required to continue holding teleconference meetings in compliance with AB 361 due to the continuing public health threat of COVID-19.

NOW, THEREFORE, BE IT RESOLVED, BY THE UNION SANITARY DISTRICT BOARD OF DIRECTORS, AS FOLLOWS:

1. The above recitals are true and correct and are material to this Resolution and are incorporated into this Resolution as findings of the District Board.

2. The Union Sanitary District Board finds and declares that the circumstances set forth in Government Code section 54953(e)(1), exist because the State of Emergency continues to exist and meeting in person would present imminent risks to the health and safety of attendees.

3. Pursuant to the requirements of Government Code Section 54953 (e)(3), the District Board makes the following findings:

(a) The District Board has considered the circumstances of the continuing state of emergency;

(b) The state of emergency continues to directly impact the ability of the members and the public to meet safely in person;

(c) Due to COVID-19, holding meetings in person will present imminent risks to the health and safety to attendees; and

(d) The District Board will continue to meet by teleconference in accordance with Government Code section 54953(e).

4. The aforementioned findings apply to all committees and subcommittees of the District which are classified as legislative bodies pursuant to Government Code Section 54952.

5. The District Board will reconsider every 30 days, the circumstances of the emergency and review whether it continues to directly impact the ability of the members to meet safely in person.

6. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared unconstitutional.

7. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED this 13th day of December, 2021.

AYES:

NOES:

ABSENT:

_____	_____
Manny Fernandez, Secretary	Pat Kite, President

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/ District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM #18

TITLE: **FY21 Strategic Performance Annual Report (This is an Information Item)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO/ Business Services Work Group Manager
Gene Boucher, Organizational Support Team Coach
Karoline Terrazas, Organizational Performance Manager
Jason Yeates, Organizational Performance Coordinator

Recommendation
Information only.

Discussion
This report summarizes the District's annual strategic performance as indicated by our Operational Excellence Balanced Scorecard Measures and the Safety Balanced Scorecard Measures for fiscal year 2021 (July 1, 2020- June 30, 2021).

The report is formatted to highlight major activities for the fiscal year in a simple and clear informative style for the Board of Directors and the public. There is a summary of the Balanced Scorecard Measures on pages 9 and 10 of this report, with the full tables of all the measures in the appendix.

<u>Operational Excellence</u>
Overall performance with the Operational Excellence measures has been challenging due to the pandemic and required restrictions. The District has limited in person meetings and trainings in an effort to reduce exposure of our employees. This resulted in adjustment to our training program and shifting priorities.

We have maintained a high level of customer support with prompt response to service needs. All assets were actively managed throughout the year. Details to the many activities and measures are found on pages 13 through 20 of this report. Two additional sections to highlight in this report include the process improvement projects on page 20 and District recognition on page 26.

Safety

Safety of our employees remains the District priority. Throughout the year, we have focused our efforts on the evolving response to the pandemic. We continue to align with COVID-19 safety protocols and guidance from the Alameda County Public Health Department, Center for Disease Control, and Cal OSHA. All safety outcomes were presented during the 4th quarter report on August 23rd, 2021, and details on our COVID-19 response can be found on pages 23 and 24 of this report.

Measure Outcome Color Key

Green: meeting or exceeding target or projected to meet target by the end of the fiscal year

Yellow: Will not meet target if trend continues, and/or not meeting target by<10%- needs attention

Red: Will not meet FY target by >10%- corrective action needed

Background

The Strategic Performance Annual Report is presented annually.

Previous Board Action

None

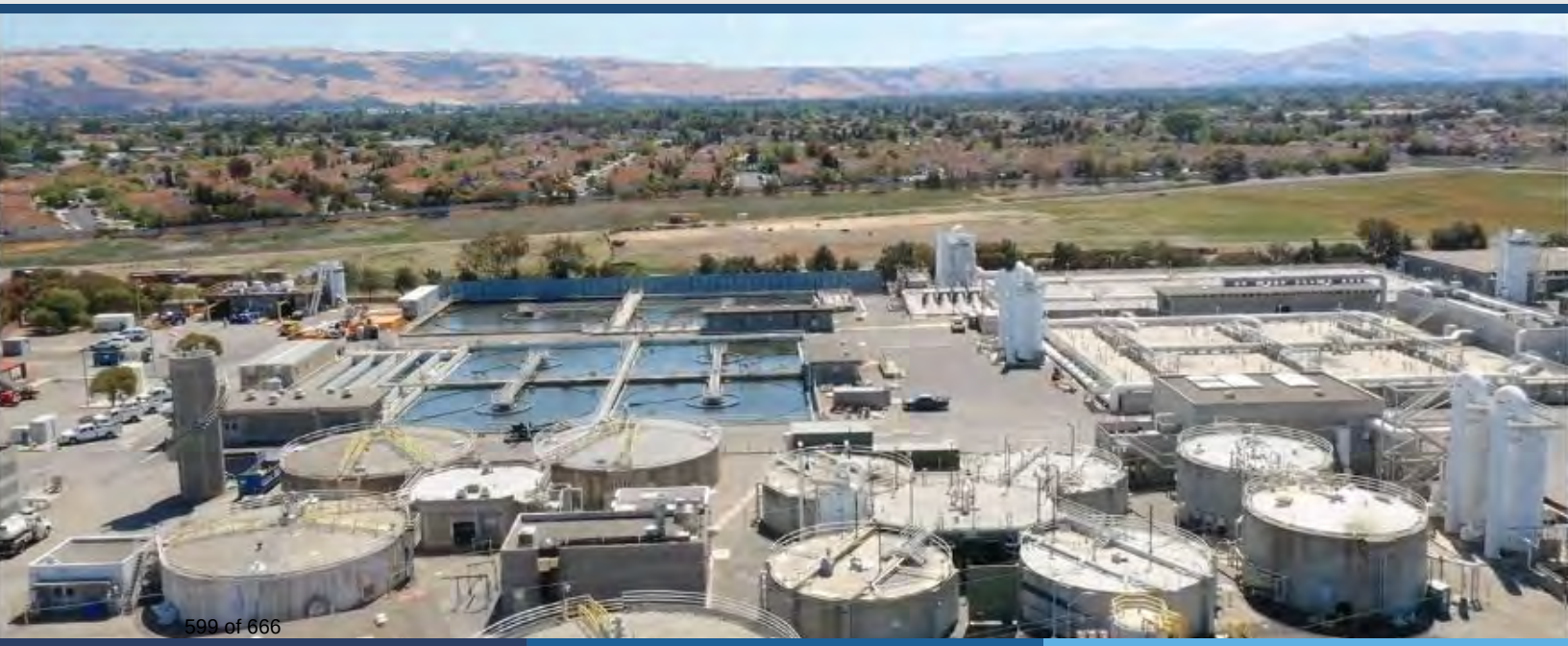
Attachment:

FY21 Strategic Performance Annual Report (July 1, 2020 – June 30, 2021)

UNION SANITARY DISTRICT

FY21 Strategic Performance Report

July 1, 2020 to June 30, 2021



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Paul Eldredge
General Manager, P.E.
Union Sanitary District

A Note From The General Manager

This fiscal year we faced the continuation of the unprecedented challenges of COVID-19 on the District's operation. Complying with the changing health orders and new mandates has remained a priority, and development of work plans to protect the health and safety of staff has been continuous. The District's efforts, to date, have been highly successful with minimal disruption to our vital services.

Some notable accomplishments this year have been the continued progress on the ETSU program, maintaining the District's low spill rate, keeping equipment and electrical systems running, administering our payroll remotely, completing design of the emergency power project, digester 7 construction wrapping up, and last but certainly not least continuing to provide essential services during a world-wide pandemic as safely and efficiently as possible.

The District was recognized with several awards during fiscal year 2021:

- National Association of Clean Water Agencies (NACWA):
  Peak Performance Platinum Awards for outstanding performance.
- National Association of Clean Water Agencies (NACWA):
  Excellence in Management Platinum Recognition

Our quality and quantity of work continues to be at a high-level despite staff retirements, vacancies, and onboarding new employees. Through it all, the District's staff has pulled together to work toward a common goal of providing professional, reliable, and courteous service to all our customers.

Irvington Pump Station

Clarifier- Treatment Plant

About Union Sanitary District

Union Sanitary District operates a 33-acre wastewater treatment facility in Union City and provides collection, treatment, and disposal services for the cities of Fremont, Newark, and Union City, California.

103 Years

Founded May 27, 1918

60.2 Sq Miles

Service area : Fremont, Newark, and Union City

356,823

Population served

839 Miles

Underground pipelines

23.7 Million

Gallons of wastewater are treated each day

143

USD employees in 5 workgroups

Board of Directors

Anjali Lathi, Fremont

Manny Fernandez, Union City

Pat Kite, Newark

Jennifer Toy, Fremont

Tom Handley, Fremont

Union Sanitary District is an independent enterprise special district governed by an elected five-member Board of Directors. Day-to-day operations are managed by the Executive Team, consisting of the General Manager and five Workgroup Managers.

Executive Team

Paul Eldredge
General Manager, P.E.

James Schofield
Collection Services

Robert Simonich
Fabrication, Maintenance, and Construction

Sami Ghossain
Technical Services

Mark Carlson
Business Services

Armando Lopez
Treatment and Disposal

Strategic Planning at the District

The District undertakes formal strategic planning every three to four years. Comprehensive planning for Fiscal Years 2019-2022 began in February 2017. The Executive Team reviewed input from stakeholders, past performance on strategic objectives, benchmarking data, new and potential regulations, industry trends, economic projections, political climate, and internal challenges.

The District prioritized driving forces and internal challenges and identified strategies,objectives, and initiatives to address them. A map of strategic objectives was developed along with measures and initiatives to support their achievement.

Most recently the District completed a comprehensive review of its balanced scorecard and made considerable improvements to overall measures and targets. The new Operational Excellence Scorecard will be implemented in FY22.

Union Sanitary District

Mission & Vision

To safely and responsibly collect and treat wastewater, and to recover resources from process waste streams, while protecting human health and improving the environment in a way that benefits the Tri-Cities and all USD stakeholders.

How we continue to accomplish our Vision:

Commitment to Safety:

- Continually reviewing our safety program for opportunities to improve
- Focusing on protecting employees and the community in all our activities
- Allocating resources to ensure safe operations (equipment, training, staff)
- Collaboratively promoting a safe work environment

Responsibility:

- Being accountable for our actions and decisions
- Being fiscally prudent
- Maintaining and upgrading infrastructure
- Anticipating and meeting future District and stakeholder needs
- Compliance with laws and regulations (local, state, federal)
- Effective asset management
- Effective use of technology
- Looking for innovative ways to reduce or reuse our waste streams

Collect, treat, and recover/reuse wastewater:

- Providing capacity in the collection system and plant
- Regulating connections
- Increasing efforts for resource recovery (biogas, biosolids, etc.)
- Exploring ways to maximize water reclamation and reuse potential

Human health and environmental stewardship:

- Preventing sewer spills and back-ups
- Limiting health risks through treatment of wastewater
- Responding to emergencies
- Enhancing water quality in the San Francisco Bay estuary
- Meeting or exceeding all water and air quality standards

Strategic Objectives

CUSTOMER

Stewardship
Demonstrate responsible stewardship of District assets and the environment

Services
Provide reliable high-quality service

Emergencies
Be prepared for emergencies

FINANCE

Fiscal Responsibility
Ensure funding for critical programs and projects, while maintaining comparable rates

Accurately project and control costs

INTERNAL PROCESS

Environmental Protection
Implement projects & programs that benefit the environment. Ensure our ability to meet current and future regulations.

Efficiency
Optimize processes; use technology and resources effectively

Planning
Plan for long-term financial, project and staffing need

Asset Management
Manage & maintain assets & infrastructure

EMPLOYEE GROWTH AND DEVELOPMENT

Employees
Maintain a highly competent, flexible workforce

Safety
Work safely to reduce accidents and injuries

Culture
Foster a collaborative Employee-Management relationship that encourages teamwork, new ideas and continuous improvement

Balanced Scorecard: Operational Excellence Summary

Customer Objectives

Measures	Target	FY21 Actuals
Progress implementing outreach plan milestones: % planned events completed	>90%	95%
Response time to calls for service: % under 1 hour	>95%	98%
Response time to contact USD inquiries: % within 3 business days	>90%	99.5%
# Total adverse impacts on customers	<10	2
# emergency preparedness events (drills, training, debriefs, table top exercises, etc.)	3	3

Financial Objectives

Measures	Target	FY21 Actuals
Residential sewer service charges (SSC) compared to other agencies	<33rd percentile	5.8th
% Budget expended, Operating Expenditures	95-103%	100%
% expended Priority 1 Special Projects	80-110%	62%
# regional projects/initiatives with financial benefit	>3	3

Internal Process Objectives

Measures	Target	FY21 Actuals
# Critical asset failures wo negative impacts	<2	2
# critical asset failures with negative impacts	0	0
% asset renewal/year: Plant	Track & Report	11.8%
% asset renewal/year: Collection System	Track & Report	0.06%
Priority capital improvement project (CIP) project milestones met vs. planned (annual average)	>85%	76%
# adverse impacts on environment (Cat 1- sanitary sewer overflow, SSO)	0	0
Category 2/3 SSOs	< 10	3
# regional projects/initiatives with environmental benefit	>3	3

Employee Growth & Development Objectives

Measures	Target	FY21 Actuals
Employee Turnover Rate- total	Track and report	3.57%
Employee Turnover Rate- nonretirement	Track and report	2.14%
% Training System Milestones Completed (accumulative total)	90%	100%
# competency assessments completed	7	38
Ave % non-mgmt. employees participating in District committees and taskforces	45-55%	36%
% non-mgmt. employees participating in alternative compensation program (accumulative total)	Track & Report	56%

Balanced Scorecard: Safety Summary

Measurements	Target	FY21 Actual
Total accidents with lost days	0	2
Other OSHA reportable accidents	<4	1
# Incidents of vehicle or equipment accidents/damage	<2	1
Cost associated with vehicle/equipment accidents	<$5000	$11,194
Ave full-time employee (FTE) lost time	<0.5	1.03
Total Costs: Lost time Wages only	<$46,883	$99,187
Ave FTE limited duty time	<0.5	0
Total costs: Limited duty/Other 1/2 wages	<$23,441	0
X-Mod	<1.0	.82
# Facility inspections completed (SIT)	N/A	N/A
% of areas of concern identified during internal facility inspections that are resolved within 45 days of report	N/A	N/A
# work site inspections completed	278	346
# site visits (for potential BMPS) completed and discussed by Executive Team	N/A	N/A
# General Manager communications on status of safety program and performance	>4	34
# safety strategy reviews conducted by Executive Team and Environmental Health and Safety Programs Manager	4	48
# of major safety training events offered	7	13
Ave % of targeted employees trained vs. plan	>90%	92.66%
% Positive responses on the employees safety survey (ave)	>75%	Postponed

Operational Excellence

Operational Excellence Measures

- Percent of progress implementing outreach plan milestones
- Response time to customer calls for service
- Response time to “Contact USD” email inquiries
- Adverse impacts USD activities have on external customers
- Number of planned emergency preparedness activities

- Residential SSC compared to other agencies in the surrounding areas
- Percent of operating budget expended against plan
- Percent of priority 1 special project expenditures against plan
- Number of regional projects and initiatives with financial benefit

- Number of critical asset failures with or without negative impacts
- Percent of annual asset renewal- for Plant and Collection System
- Percent of priority capital improvement projects milestones met vs. planned
- Number of adverse impacts on the environment, including Category 1 sanitary sewer overflows (SSO’s), and 2/3 SSO’s
- Number of regional projects and initiatives with environmental benefit

- Percent of employee turnover including non retirement
- Number of training milestones completed and updated
- Number of competency assessments completed in Collection Services
- Average percent employees participating in District task forces and committees
- Percent employees participating in the alternative compensation program

Customer Perspective

Customer objectives focus on both short and long-term customer service and stewardship of public assets and the environment. Measures target the provisions of high-quality reliable service, outreach activities, and maintaining an emergency preparedness program.

Response to Calls and Inquiries

98%

Response to emergency calls under 1 hour

98%

Response to USD Website inquiries under 3 days

Plant Tours and Classroom Visits

Tours visitors

On hold due to COVID19. Virtual tour added to website.

73 Classes
Avg. of 24 students per class

Virtual Elementary School Presentations completed

Lobby Access and Plan Review

Open Lobby

Maintained normal business hours for customers

182 Plans

Continued speedy review of plans for private construction of sewers

Outreach at USD

Our Customer Service and Environmental Compliance Teams are deeply involved with communication and outreach to local residents and industry partners. While COVID-19 did impact our ability to offer events in 2021, we completed 9 activities; including:

- Annual Newsletter
- Social Media Posts
- Local Civic Outreach
- Industrial Advisory Council Meetings

USD staff continue to provide educational opportunities for local elementary schools, and have modified our program so that it can be done virtually.

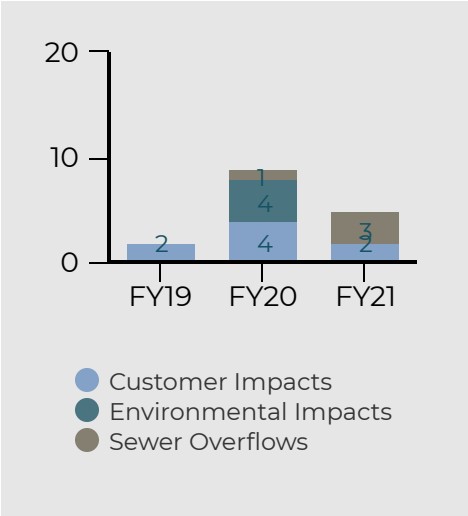
Customer Perspective

Impacts on Customers and the Environment

Our District ensures immediate response, investigation, and follow-up to all inquiries that impact our customers and the environment. We monitor and respond to a variety of claims reported and strive to remain under 10 impacts or less per year.

The impacts may include:

- Customer Impact- vehicle damage, fee concerns, odor and other substantiated complaints
- Environmental impacts
- Sewer overflows caused by our system.



Annual Newsletter

One of our outreach initiatives is to provide an annual newsletter for our residents. In 2021 we highlighted:

- Residential Rate Increases Collection Postponed
- Enhanced Treatment and Site Upgrade (ETSU) Program Update
- Did You Know? Just Because Something Can Go Down the Drain, Doesn't Mean It Should
- Avoiding Sewer Overflows: USD's Excellent Record

Emergency Preparedness

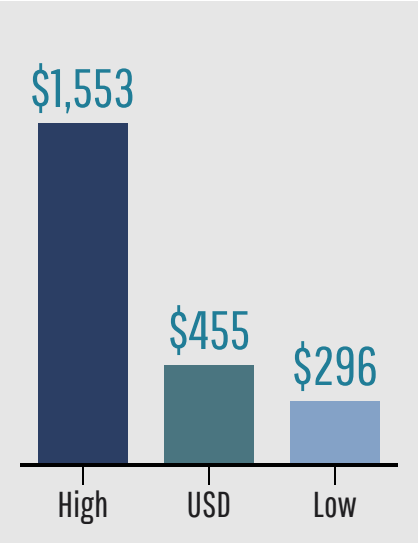
The Districts' Emergency Preparedness Committee is responsible for maintaining the inventory of supplies needed for all types of disaters and emergencies.

This fiscal year the committee recognized the need to purchase a small fuel powered generator which will primarly be used to heat small appliances used for cooking emergency meals.

Finance Perspective

Financial objectives focus on the prudent and responsible management of public funds entrusted to the District, with measures focused on maintaining sewer service charges (SSC) at rates comparable to other local agencies with similar treatment processes, accurately controlling and tracking project and program costs against planned budgets, and ensuring the District is always compliant with the ethical, legal, and regulatory requirements associated with finance.

Bay Area Annual Sewer Service Charges 2020-2021



Currently, USD's rates are in the lowest 5.8% of the Bay Area sanitary sewer providers surveyed annually.

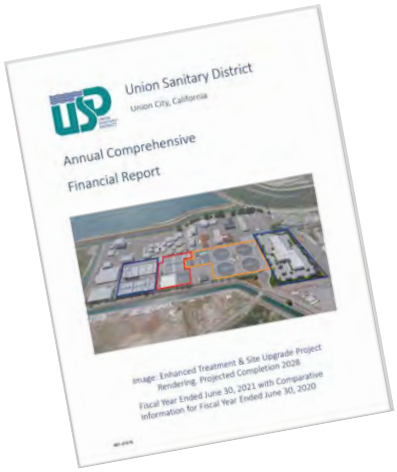
Criteria used for Agencies to Survey:

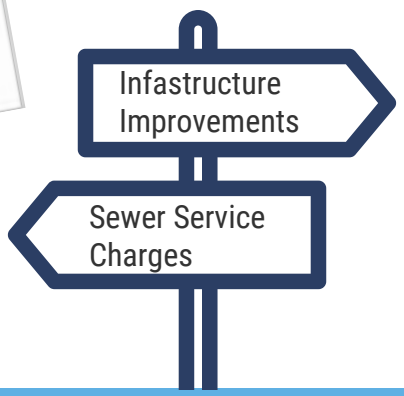
1. Within a 30 mile radius of USD
2. Having at least 100 miles of Collection System and/or 5 MGD of Treatment

Annual Comprehensive Financial Report

The District prepares a Annual Comprehensive Financial Report (ACFR) summarizing and explaining USD's initiatives, accomplishments, and financial activities during each fiscal year.

For more details, review the FY21 report.

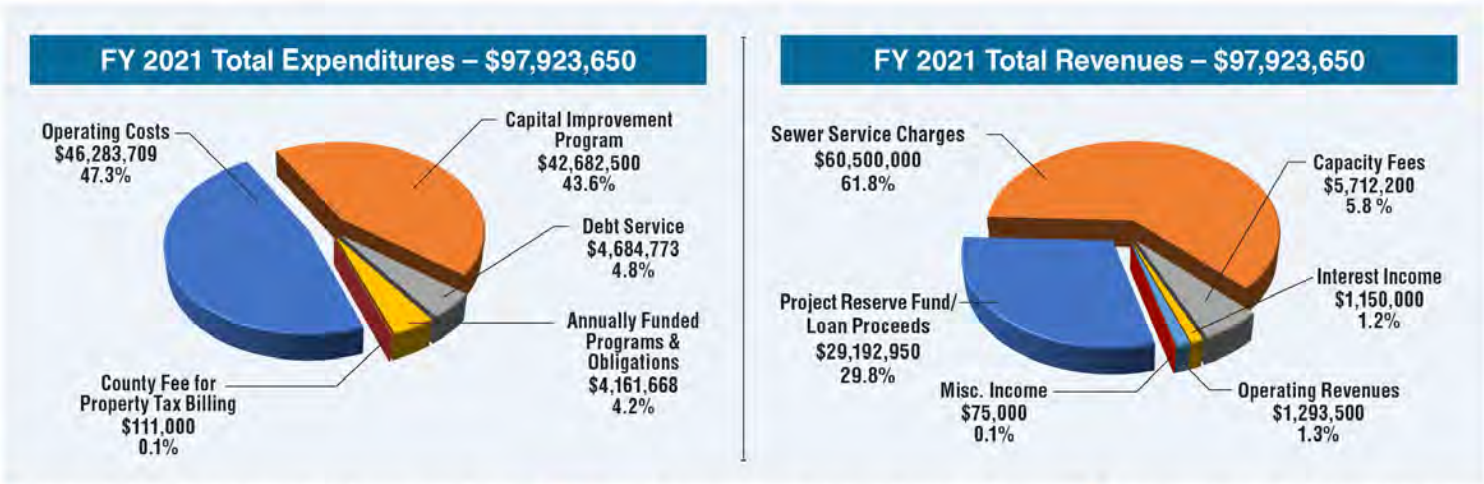




Finance Perspective

2020-2021 Union Sanitary District Total Revenues and Expenditures

The District's current operating budget is approximately $97.9 million. Revenue is raised from two primary sources: (1) Sewer service charges paid by residential customers, businesses, and other users of the system; and (2) Charging new development their proportionate share of infrastructure costs.



- Annually Funded Programs and Obligations include special studies and equipment replacement
- Operating Costs include employee, utilities, chemicals, maintenance, and administrative costs
- Capital Improvement Program includes project construction and related costs
- Sewer Service Charges include residential, commercial, and industrial customers
- Employee Costs ($28,631,956) represent 29% of USD's total FY 2021 budget and 62% of Operating Costs

Proud Members

Through continued participation in several Bay Area consortiums focused on the water and wastewater industry, the District leverages these partnerships to reduce costs via the sharing of training resources/events and taking advantage of collective bargaining power related to the purchase of chemicals necessary for our treatment processes.

BACWA BAY AREA CLEAN WATER AGENCIES

baywork Bay area water/wastewater workforce reliability

CASA

CASSE CALIFORNIA ALLIANCE FOR SEWER SYSTEM EXCELLENCE

Internal Process Perspective

Internal process objectives focus on processes critical to achieving the District's Mission, including long-term project, financial, and workforce planning activities, management and maintenance of District assets and infrastructure, treatment process optimization, and environmental stewardship.

Capital Improvement Projects

For Enhanced Treatment Site Updgrade (ETSU) project information see page 18.

Projects in Design

- Digester No. 2 Insp. and Rehab.
- Digester No. 7
- Force Main Corrosion Repairs – Phase 3
- Headworks Screens Replacement
- Wet Weather Flow Management – Calcium Thiosulfate Chemical Feed System

Projects in Construction

- Central Avenue Sanitary Sewer Relocation
- Digester No. 1 Insp. and Rehab
- Cherry St. Pump Station
- RCP Sewer Rehab (Irvington Basin)
- Standby Power Generation System Upgrade
- WAS Thickeners

Engineers and staff coordinate construction of critical infrastructure while keeping processes running smoothly. Staff focuses on managing and maintaining assets and infrastructure through development of master plans. Project schedules are tracked and reported quarterly with a goal of 85% of projects on schedule.

Internal Process Perspective

Enhanced Treatment and Site Upgrade (ETSU)

The Enhanced Treatment and Site Upgrade (ETSU) program serves as a roadmap for the treatment plant's infrastructure over the next 40 years. The ETSU team continues to progress with the various activities in Phase 1.

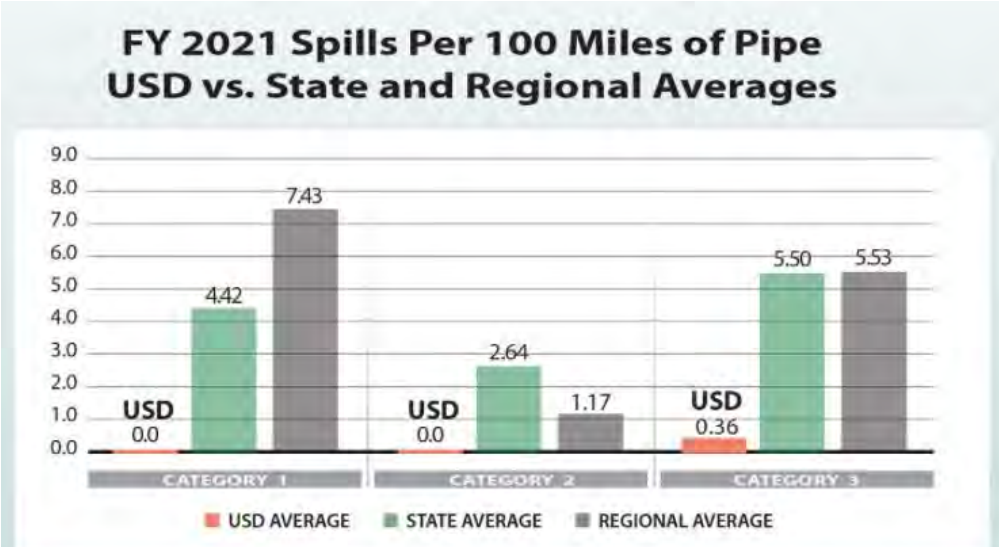
Click here for a "flyover" video demonstrating the planned improvements and a Progress Dashboard displaying Phase 1 activities.

Asset Renewal and Maintenance

Processes are regularly evaluated to maintain our ability to meet current and future regulations. USD implements practices that benefit the environment by conserving resources, reducing waste, and minimizing environmental impacts. Proactive cleaning of the collection system prevents sewer overflows and associated impacts.

$690 Million District owned assets

$31.6 Million spent to maintain assets in FY 21



Employee Growth & Development Perspective

Employee growth and development objectives focus on employee training and maintaining a highly competent and flexible workforce, as well as protecting labor relations via the collaborative employee-management culture of the District. This is accomplished by involving employees in planning and decision-making activities.

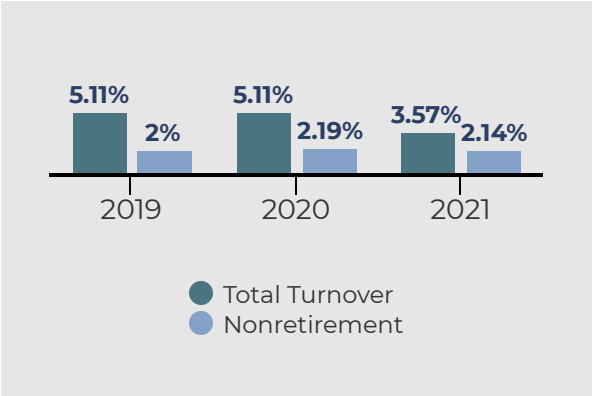
Training & Competency Assessments

Maintaining a highly competent, flexible workforce is of critical importance. Routine training activities have been disrupted by the COVID-19 Pandemic with several shift changes making it difficult to administer training. The District accomplished:

- 11 trainings
- 8 modules updates
- 30 assessments

Trainings completed this year included: CPR/First Aid, Ladder Safety, Excavation and Defensive Driving.

Staff Turnover



Team	Process Improvement Project
Capital Improvement	Create CIP Site and Safety Information Packet
Customer Service	Form Modernization Project
Environmental Compliance	Creation of Environmental Compliance GIS Layers
Finance and Acquisition Support	Digitizing FAST Forms
Maintenance and TV	Updating and replacing new hose on Hydro Truck
Organizational Support	Improve and Streamline the Onboarding Process
Research and Support	LIMS/WIMS Data Access, Reporting, and Processing

69

Employees participated in 7 total process improvement projects

Process Improvements

Collection Services Inversion Lining Improvements

At the beginning of the pandemic, inversion lining repairs were put on hold to avoid mixing crews, since a typical repair requires two crews. Inversion lining repairs are more efficient than open trench repairs, so there was a need to identify a strategy to continue this valuable operation. The teams worked to develop new procedures and training for the new safety protocols to resume inversion lining repair and still maintain social distancing. At the end of 2021, 43 inversion lining repairs had been completed safely, with no incidents of exposure from one crew to another, resulting in a cost savings to the District.

Microfiche Conversion

The Customer Service Team's Engineering Techs managed the conversion of microfiche for the District's entire records of sanitary sewer plans, permitting, and related records. They prepared a scope of work, managed the vendor to ensure the scans were of good quality and worked with IT staff to properly store the files. The records are now accessible electronically, which has been a significant timing saving when reviewing historical records.

Treatment and Disposal Dashboard

The Treatment and Disposal workgroup implemented an automated dashboard to display critical plant health metric for immediate identification of process variations. It provides real-time visuals of metrics that are not meeting target values, and highlights them in red. The dashboard is updated in real-time, allowing for monitoring from a tablet or even from the breakroom.

Safety at USD

Safety Measures

- Number of total accidents with lost days
- Number of other OSHA reportable accidents
- Number of incidents of vehicle or equipment accidents/damage

- Costs associated with vehicle and equipment accidents
- Average full-time equivalent lost time
- Total costs: Lost time wages only
- Average full-time equivalent limited duty lost time
- Total costs: Limited duty/other ½ wages
- X-Mod

- Number of facility safety inspections completed
- Percent of areas identified in inspections resolved within 45 days
- Number of work site inspections completed
- Number of benchmarking and best management practice site visits
- Number of safety related communications from the General Manager

- Number of major safety training events offered
- Average percentage of targeted employees trained versus plan
- Average percentage of positive responses on the employee safety survey

Safety

Safety objectives focus on reducing the number of staff injuries as well as vehicle and equipment accidents/damage. These activities support the positive safety culture and attitude exhibited throughout the District. During the fiscal year, priorities shifted from USD's standard safety strategy to concentrating efforts to minimize risk of coronavirus exposure to employees and prevent disruption in the treatment of wastewater.

Reduce employee and equipment accidents

2

No accidents with lost days, **2** OSHA reportable

1

Total vehicle/equipment incidents

Identify and correct potential hazards

0

Facility inspection(s) completed

346

Coach observations completed

Safety Training at USD

USD's priority is to ensure employees are educated in safe work practices. The District adjusted training to include computer-based tutorials to limit potential COVID-19 exposure. 92.6% of our employees completed a total of ten safety trainings, including:

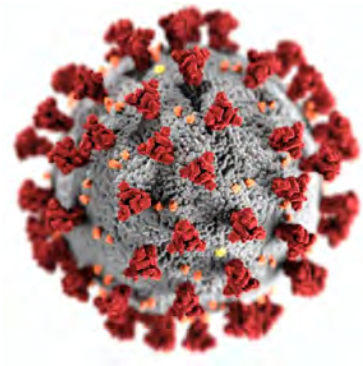
- Ladder Safety
- Hazmat Handling
- Excavation
- Injury and Illness Prevention
- Silica

Workers Compensation Modifier

Our workers compensation modifier, often recognized as the X-Mod, is .82 against the target of 1.0 in FY21. The District's continued low numbers in this measurement reflect its focus on maintaining a safe workplace and results in reduced insurance premiums.

Response to the Pandemic

Operations Resiliency



In 2020 the pandemic created several challenges requiring immediate response and solutions for a new remote workforce, operational shifts, and demand for technology. USD's Information Technology (IT) department maintains an evergreen state by staying up to date with technology, including operating systems. In addition to our IT Disaster Plan, the IT Steering Committee completed several other resiliency projects.

The District's Emergency Preparedness Committee, and Pandemic Response Taskforce maintained oversight and kept lines of communication open with external partners and agencies by liaising with the county Office of Emergency Services (OES), public information (PIO) group, and the CalWARN (Water/Wastewater network).

We maintained hiring processes, slightly adapted, during the pandemic and continued replacing critical positions and developing individualized plans for knowledge retention.

Wastewater Epidemiology

Wastewater Based Epidemiology (WBE) is the science of collecting and analyzing untreated sewage at wastewater treatment plants for substances related to aspects of public health. WBE has been used to effectively study the presence of polio and hepatitis A and could be used as a tool to monitor the COVID-19 pandemic.

USD is a member of a joint powers authority known as Bay Area Clean Water Agencies (BACWA). USD and BACWA members are working to develop a region-wide coordinated approach to utilization of WBE and are monitoring progress as studies and research lead toward consistent methods that could assist in protection of public health. During the last year our District supported the study by providing samples at various points in treatment.

Union Sanitary District

FY21 Initiatives

Odor Control Pilot Study

Comprehensive odor study in plant and throughout the USD service area (collection system) to determine types and intensity of odors potentially impacting the public

Enhanced Treatment and Site Upgrade (ETSU)

Phase1a and 1b focused on the design of the Aeration Basin Modifications, New Campus Building, and Effluent Facility

Digester 7

Construction near completion of this critical piece of infrastructure
Time Lapse Video

Funding for ETSU and Capital projects

Continual priority to seek sources to best fund the ongoing construction at the District

Plant Asset Condition Assessment Update

Comprehensive study of District infrastructure and current operating conditions

PERS/ OPEB Unfunded Liability

District's commitment to pay down the liability for PERS/OPEB

Rebranding Initiative

Cross-functional effort to explore options for rebranding and updating the District's name and logo to more accurately reflect the area served and the Districts core function

TNI Laboratory Compliance

To be in compliance with updated Laboratory Accreditations Standard

District Recognition

We're proud of the awards that our treatment plant, collection system, staff members and organizational programs have received. We work hard to fulfill our mission to protect human health and the San Francisco Bay, and we appreciate the recognition of our industry peers and our communities.

Platinum 12

Peak Performance AWARDS

The National Association of Clean Water Agencies
is pleased to present this award to

Union Sanitary District, CA
Alvarado Boege Waste Water Treatment Plant

in recognition of twelve years of complete and consistent National Pollutant Discharge Elimination System permit compliance.

July 20, 2021

NACWA

Peak Performance Award

Union Sanitary District was recognized by the National Associations of Clean Water Agencies (NACWA) for the Platinum Award for achieving 12 years of 100% compliance with its regulatory permit requirements. These permit conditions are in place to protect the water quality of San Francisco Bay. USD has been recognized by NACWA for 28 consecutive years since this award program began in 1993. Maximize small business participation in government contracting.

Excellence in Management Platinum Recognition

NACWA's congratulatory letter noted USD's "commitment to sustainable and successful programs that exemplify the attributes of an effectively managed utility." The District's strategic planning, financial management, infrastructure performance, employee development, and operational optimization efforts were some of the many considerations leading to USD's receipt of the Platinum Recognition. NACWA represents public wastewater and stormwater agencies of all sizes nationwide.

EXCELLENCE IN Management PROGRAM

PLATINUM

The National Association of Clean Water Agencies
is pleased to present this honor to

Union Sanitary District, CA

in recognition of their commitment to excellence in utility management through the implementation of sustainable, successful programs that exemplify the attributes of an effectively managed utility.

NACWA Chief Executive Officer

NACWA Awards Committee Chair

July 21, 2021
Date

2024
Honor Valid

NACWA

Appendix

a Operational Excellence BSC Measures

b Operational Excellence BSC Measures

c Safety BSC Measures

Appendix A: Operational Excellence Balanced Scorecard (Customer and Financial Objectives)

	Objectives	Measures	1st	2nd	3rd	4th	YTD Actual	Target	FY20	FY19
Customer Objectives	**Stewardship**: Demonstrate responsible stewardship of District assets and the environment	Progress implementing outreach plan milestones: % planned events completed	26.32%	26.32%	21.05%	21.05%	94.74%	≥90%	87%	88%
	Service: Provide reliable, high quality service	Response time to calls for service: % under 1 hour	100.00%	98.00%	100.00%	95.70%	98.43%	≥95%	98.780%	96.9%
		Response time to contact USD inquiries: % within 3 business days	98.00%	100.00%	100.00%	100.00%	99.50%	≥90%	98.50%	100%
		# Total adverse impacts on customers	1	0	1	0	2	≤10	3	3
	Be prepared for emergencies	# emergency preparedness events (drills, training, debriefs, table top exercises, etc.)	1	1	0	1	3	3	4	4
Financial Objectives	**Fiscal responsibility**: Ensure funding for critical programs and projects, while maintaining comparable rates	Residential SSC compared to other agencies					5.8th	≤33rd percentile	5.8th	5.8th
	Accurately project and control costs	% Budget expended, Operating Expenditures					100%	95-103%	96%	94%
		% expended Priority 1 Special Projects					62%	80-110%	42%	72.2%
		# regional projects/initiatives with financial benefit	3	3	3	3	3	≥3	3	3

Appendix B: Operational Excellence Balanced Scorecard (Internal Process and Employee Growth & Development Objectives)

	Objectives	Measures	1st	2nd	3rd	4th	YTD Actual	Target	FY20	FY19
Internal Process Objectives	**Asset Management:** Manage and maintain assets and infrastructure	# Critical asset failures wo negative impacts	1	1	0	0	2	≤2	0	2
		# critical asset failures with negative impacts	0	0	0	0	0	0	0	0
		% asset renewal/year: Plant					11.80%	Track & Report	5%	2.32%
		% asset renewal/year: Collection System					0.06%	Track & Report	0.04	0.08%
		Priority CIP Project milestones met vs. planned	100%	82%	65%	59%	76%	85%	84%	83%
	Environmental Protection: Maintain our ability to meet current and future regulations	# adverse impacts on environment (Cat 1 SSO)	0	0	0	0	0	0	0	0
	Implement projects and programs that benefit the environment	Category 2/3 SSOs	1	0	0	2	3	≤ 10	1	2
		# regional projects/initiatives with environmental benefit	3	3	3	3	3	≥3	3	3
Employee Growth & Development Objectives	**Employees:** Maintain a highly competent, flexible workforce	Employee Turnover Rate- total					3.57%	Track and report	5.11%	5.11%
		Employee Turnover Rate- nonretirement					2.14%	Track and report	2.19%	2.0%
		% Training System Milestones Completed (accumulative total)	18%	36%	50%	100%	100%	90%	50%	105%
		# competency assessments completed	3	1	32	2	38	7	30	48
	Safety: Work safely; reduce accidents and injuries	See safety scorecard								
	Culture: Foster a collaborative employee-management relationship that encourages new ideas and continuous improvement	Ave % non-mgmt. employees participating in District committees and taskforces		36%		36%	36%	45-55%	44%	43%
		% non-mgmt. employees participating in alternative compensation program (accumulative total)					56%	Track & Report	66%	42%

Appendix C: Safety Balanced Scorecard

Objectives	Measurements	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Actual	Target	FY20	FY19
Reduce the number of accidents	Total accidents with lost days	2	0	0	0	2	0	0	1
	Other OSHA recordable accidents	1	0	0	0	1	≤4	1	0
	# Incidents of vehicle or equipment accidents/damage	0	1	0	0	1	≤2	6	2
Reduce the impact of accidents on employees and the District	Cost associated with vehicle/equipment accidents	$0.00	$8,025.32	$0.00	$3,168.70	$11,194.02	≤$5000	$0.00	$646.00
	Ave FTE lost time	1.44	0.96	0.70	0.10	1.03	<0.5	0.66	0.09
	Total Costs: Lost time Wages only	$40,910.02	$32,822.81	$22,654.59	$2,800.39	$99,187.81	≤$46,883	$70,759.00	$2,164.50
	Ave FTE limited duty time	0	0	0	0	0	≤0.5	0	0
	Total costs: Limited duty/Other 1/2 wages	$0.00	$0.00	$0.00	$0.00	$0.00	≤$23,441	$0.00	$0.00
	X-Mod					0.82	≤1.0	0.94	0.82
Identify and correct poor practices and potential hazards	# Facility inspections completed (SIT)						0	1	4
	% of areas of concern identified during internal facility inspections that are resolved within 45 days of report						0	100%	93%
	# work site inspections completed	83	82	86	95	346	278	335	335
Implement industry best practices	# site visits (for potential BMPS) completed and discussed by ET						0	0	1
Communicate our commitment to safety	# GM communications on status of safety program and performance	7	12	8	7	34	≥4	19	7
	# safety strategy reviews conducted by ET and EHSPM	12	12	12	12	48	4	12	4
Educate employees in safe work practices	# of major safety training events offered	2	2	4	5	13	9	9	11
	Ave % of targeted employees trained vs. plan	96.40%	95.00%	97.68%	81.56%	92.66%	≥90%	89.77%	90.73%
Create a positive safety culture	% Positive responses on the employees safety survey (aver)						≥75%	POSTPONED	N/A

To safely and responsibly collect and treat wastewater, and to recover resources from process waste streams, while protecting human health and improving the environment in a way that benefits the Tri-Cities and all USD stakeholders.

Summary of the EBDA Commission Meeting
Thursday, October 21, 2021, at 9:30 a.m.

- Commissioners Cutter, Duncan, Johnson, Andrews, and Toy were present. This meeting was conducted telephonically and the dial-in information for the meeting was provided in the agenda.

- Commissioner Johnson moved to approve the Commission Meeting Minutes of September 23, 2021; List of Disbursements for September 2021; and Preliminary Treasurer's Report for September 2021. The motion was seconded by Commissioner Toy and carried 5-0.

- The Commission unanimously approved the reports from the Managers Advisory, Financial Management, Operations & Maintenance, and Personnel Committees. The following items were discussed:

- **General Managers Report**
  The General Manager (GM) provided an update on the blanket permit amendment for total residual chlorine, which was adopted by the Regional Water Board in October. This permit amendment, which will take effect soon following approval of the Basin Plan Amendment by EPA, will change EBDA's chlorine residual limit from 0.0 mg/L as an instantaneous maximum to 0.98 mg/L as a one-hour average.

- **Managers Advisory Committee (MAC)**
  The GM welcomed back Dean Wilson, who is serving as the interim plant manager for the City of San Leandro. The MAC discussed partnering with a private sector partner for biosolids management. Proposals will be solicited from potential private sector partners in the coming months.

- **Financial Management Committee**
  The GM reported on the Financial Management Committee, which met on October 18, 2021, and reviewed the Treasurer's report and disbursements. The Committee also reviewed the draft Emergency Reserve Policy, which includes language regarding the Member Agencies' funding responsibilities. Lastly, the Committee reviewed the Authority's Budget Policy and recommended approval.

- **Resolution Approving the Authority's Budget Policy**
  Commissioner Johnson moved to approve the item. The motion was seconded by Commissioner Duncan and carried unanimously 5-0, by roll call vote.

  Ayes: Commissioners Johnson, Andrews, Toy, Duncan, Chair Cutter
  Noes: None
  Absent: None
  Abstain: None

- **Operations and Maintenance Committee**
  The O&M Manager reported on the Operations and Maintenance Committee, which met on October 19, 2021. The Committee reviewed compliance data and discussed the status of current projects. The O&M Manager advised that due to COVID-19 related shipping issues, the OLEPS main electrical switchboard project has been postponed until spring 2022. Additionally, the O&M Manager reported a power outage at the EBDA administration office due to a power pole fire. The GM reported on the status of the Disinfection Master Plan, the Cargill Brine Project, and the AQPI Project. The Committee reviewed the draft Administrative Appeals Policy and recommended additional language to clarify the timeline of the appeals process. Finally, the Committee recommended approval of the motion authorizing work orders with Carollo Engineers, Inc.

- **Motion Authorizing the General Manager to Execute Amendment 2 to Work Order No. 1 and Work Order No. 4 With Carollo Engineers, Inc. for Engineering Services, for a Total Contract Amount of $160,710**
  Commissioner Andrews moved to approve the item. The motion was seconded by Commissioner Toy and carried unanimously 5-0, by roll call vote.

  Ayes: Commissioners Johnson, Andrews, Toy, Duncan, Chair Cutter
  Noes: None
  Absent: None
  Abstain: None

- **Report from the Personnel Committee**
  The GM reported on the Personnel Committee, which met on October 19, 2021. The GM advised that a candidate has been selected to fill the Administrative Support Specialist position. The Committee reviewed FY 2020/2021 accomplishments and directed staff to begin the Strategic Planning process. The Committee discussed the suggested compensation adjustments and recommended revisions to the O&M Manager classification that include detailing additional responsibilities.

- **Resolution Authorizing Remote Teleconference Meetings Pursuant to AB 361**
  Legislation AB 361 allows agencies to continue conducting remote meetings should there be a declared State of Emergency. Commissioner Duncan moved to approve the item. The resolution was seconded by Commissioner Andrews and carried unanimously 5-0, by roll call vote.

  Ayes: Commissioners Johnson, Andrews, Toy, Duncan, Chair Cutter
  Noes: None
  Absent: None
  Abstain: None

- **Items from Commission and Staff**
  No items to report from Commission or staff.

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
General Manager/
District Engineer

Karen W. Murphy
Attorney

DECEMBER 13, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 20

TITLE: **COVID-19 Update *(This is an Information Item)***

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer

Recommendation
Information only.

Discussion
None.

Background
General Manager Eldredge will provide an update on the District's COVID-19 response and staffing levels.

Previous Board Action
None.

UNION SANITARY DISTRICT
CHECK REGISTER
10/30/2021-12/03/2021

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179264	11/24/2021	110	898220211105	PACIFIC GAS AND ELECTRIC	SERV TO 10/31/2021 HAYWARD MARSH	$234.42	$1,134,842.10
	11/24/2021	170	096020211105		SERV TO 10/31/21 CATHODIC PROJECT	$46.21	
	11/24/2021	170	380420211105		SERV TO 10/31/21 CHERRY ST PS	$385.17	
	11/24/2021	110	170120211110		SERV TO 10/20/2021 PLANT	$1,133,683.95	
	11/24/2021	170	666720211105		SERV TO 10/31/2021 PASEO PADRE PS	$427.24	
	11/24/2021	110	892820211105		SERV TO 10/31/2021 HAYWARD MARSH	$65.11	
179034	11/4/2021	114	201180048	HAZEN AND SAWYER	ETSU PHASE 1B PROJECT	$268,840.52	$602,015.12
	11/4/2021	114	2011800221		MP - AERATION BASIN MODIFICATIONS	$239,514.98	
	11/4/2021	114	2011800317		CAMPUS BUILDINGS (ADMIN, FMC, OPS)	$93,659.62	
179183	11/18/2021	143	800501.14	KIEWIT INFRASTRUCTURE WEST CO	ALVARADO INFLUENT PS PUMPS AND VFDS	$557,319.17	$557,319.17
179099	11/11/2021	143	800494.1	GARNEY PACIFIC INC	EMERGENCY OUTFALL OUTLET IMPROVEMENTS	$443,682.68	$443,682.68
179088	11/11/2021	143	800531.2	CASEY CONSTRUCTION INC	GRAVITY SEWER REHAB/REPLACEMENT	$380,213.75	$380,213.75
179228	11/24/2021	143	11422686	BROWN & CALDWELL CONSULTANTS	STANDBY POWER SYSTEM UPGRADE	$113,695.23	$113,695.23
179208	11/18/2021	141	221180	TANNER PACIFIC INC	TWIN FORCE MAIN RELOCATION - PHASE 2	$19,321.25	$113,534.80
	11/18/2021	143	221238		ALVARADO INFLUENT PS PUMPS AND VFDS	$34,877.50	
	11/18/2021	141	221214		TWIN FORCE MAIN RELOCATION - PHASE 2	$59,336.05	
179239	11/24/2021	143	800503.2	CORRPRO COMPANIES INC	CATHODIC PROTECTION IMPROVEMENTS - PLANT	$112,389.90	$112,389.90

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179091	11/11/2021	143	800503.1	CORRPRO COMPANIES INC	CATHODIC PROTECTION IMPROVEMENTS - PLANT	$105,785.53	$105,785.53
179339	12/2/2021	143	900528.4	WESTERN WATER	AERATION BLOWER 11 (HIGH SPEED)	$101,270.00	$101,270.00
179261	11/24/2021	143	210609	OVERAA	PRIMARY DIGESTER NO. 7	$86,957.30	$86,957.30
179206	11/18/2021	110	24991	SYNAGRO WEST LLC	SEP 2021 BIOSOLIDS DISPOSAL	$83,980.80	$83,980.80
179306	12/2/2021	143	16428	CAROLLO ENGINEERS	AERATION BLOWER 11 (HIGH SPEED)	$8,482.25	$71,444.72
	12/2/2021	143	16425		ALVARADO INFLUENT PS PUMPS AND VFDS	$7,928.14	
	12/2/2021	143	16590		PRIMARY DIGESTER NO. 7	$55,034.33	
179333	12/2/2021	143	221248	TANNER PACIFIC INC	ALVARADO INFLUENT PS PUMPS AND VFDS	$42,980.00	$68,355.00
	12/2/2021	143	221250		AERATION BLOWER 11 & CENTRIFUGE BLDG IMPROV	$25,375.00	
179038	11/4/2021	110	9017729476	KEMIRA WATER SOLUTIONS INC	48,260 LBS FERROUS CHLORIDE	$7,449.17	$59,227.24
	11/4/2021	110	9017730049		48,900 LBS FERROUS CHLORIDE	$7,549.82	
	11/4/2021	110	9017727783		47340 LBS FERROUS CHLORIDE	$7,339.34	
	11/4/2021	110	9017728605		48,460 LBS FERROUS CHLORIDE	$7,412.55	
	11/4/2021	110	9017727349		48,339.9 LBS FERROUS CHLORIDE	$7,513.22	
	11/4/2021	110	9017729284		48,520 LBS FERROUS CHLORIDE	$7,540.68	
	11/4/2021	110	9017728764		48,640 LBS FERROUS CHLORIDE	$7,522.37	
	11/4/2021	110	9017728412		46,440 LBS FERROUS CHLORIDE	$6,900.09	
179166	11/18/2021	143	15304	CAROLLO ENGINEERS	EMERGENCY OUTFALL, CATHODIC PROTECTION IMPROVEMENTS, GR	$56,629.03	$56,629.03
179242	11/24/2021	173	2019544	FARALLON GEOGRAPHICS INC	ARCHES SSC FY22 ENCHANCEMENTS	$56,400.00	$56,400.00

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179192	11/18/2021	110	1585976	POLYDYNE INC	45,260 LBS CLARIFLOC C-6267	$54,992.64	$54,992.64
179086	11/11/2021	143	11421717	BROWN & CALDWELL CONSULTANTS	PRIMARY DIGESTER NO. 7	$36,691.04	$48,658.35
	11/11/2021	143	11422040		EMERGENCY OUTFALL OUTLET IMPROVEMENTS	$11,967.31	
179093	11/11/2021	143	16643	DW NICHOLSON CORP	CALCIUM THIOSULFATE CHEMICAL TANK	$44,628.34	$44,628.34
179207	11/18/2021	173	16951	SYSTEMATES INC	15 PROJECTMATE ADDITIONAL LICENSES	$38,005.00	$38,005.00
179284	11/24/2021	110	470001648	USP TECHNOLOGIES	4152 GALS HYDROGEN PEROXIDE	$18,559.44	$33,936.24
	11/24/2021	110	470001310		3440 GALS HYDROGEN PEROXIDE	$15,376.80	
179212	11/18/2021		533620211022	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL-CARD REPORT - OCT 2021	$32,407.34	$32,407.34
179123	11/11/2021	114	177347	PSOMAS CORP	AERATION BASIN MODIFICATIONS	$32,152.50	$32,152.50
179283	11/24/2021	110	470000613	USP TECHNOLOGIES	2554 GALS HYDROGEN PEROXIDE	$11,416.38	$30,914.52
	11/24/2021	110	470001172		2362 GALS HYDROGEN PEROXIDE	$10,558.14	
	11/24/2021	110	470000607		2356 GALS HYDROGEN PEROXIDE	$10,531.32	
	11/24/2021	110	470001968		4554 GALS HYDROGEN PEROXIDE	$20,356.38	
	11/24/2021	110	470000155		CREDIT 2554 GALS HYDROGEN PEROXIDE	$-11,416.38	
	11/24/2021	110	470000154		CREDIT 2356 GALS HYDROGEN PEROXIDE	$-10,531.32	
179100	11/11/2021	173	17001100033486	GE DIGITAL LLC	ANNUAL SCADA SOFTWARE SUPPORT	$30,452.00	$30,452.00
179069	11/4/2021	143	900528.3	WESTERN WATER	AERATION BLOWER 11 (HIGH SPEED)	$27,961.45	$27,961.45
179277	11/24/2021	136	3816530003	STRADLING YOCCA CARLSON &RAUTH	LEGAL SERVICES FOR 2021 WIFIA LOAN	$27,879.50	$27,879.50

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179278	11/24/2021	143	221240	TANNER PACIFIC INC	AERATION BLOWER 11 & CENTRIFUGE BLDG IMPROV	$25,645.00	$26,815.00
	11/24/2021	143	221260		PRIMARY DIGESTER NO. 2 REHABILITATION	$1,170.00	
179134	11/11/2021	150	47428	SLOAN SAKAI YEUNG & WONG LLP	SPECIAL COUNSEL SERVICES	$2,013.00	$23,739.00
	11/11/2021	150	47427		SPECIAL COUNSEL SERVICES	$21,726.00	
179238	11/24/2021	170	749536	CORE & MAIN LP	ASTD PARTS & MATERIALS	$23,257.50	$23,257.50
179194	11/18/2021		42644	PREFERRED BENEFIT INSUR ADMINS	NOVEMBER 2021 DELTA DENTAL STMT	$19,946.07	$23,128.87
	11/18/2021		42583		NOVEMBER 2021 VSP STMT	$3,182.80	
179250	11/24/2021	110	9017730927	KEMIRA WATER SOLUTIONS INC	48,380 LBS FERROUS CHLORIDE	$7,513.22	$22,823.36
	11/24/2021	110	9017731802		45,800 LBS FERROUS CHLORIDE	$7,860.97	
	11/24/2021	110	9017730417		47,920 LBS FERROUS CHLORIDE	$7,449.17	
179260	11/24/2021	110	3000040850	OLIN CORPORATION	4797.891 GALS SODIUM HYPOCHLORITE	$3,740.82	$22,527.44
	11/24/2021	110	3000037866		4797.915 GALS SODIUM HYPOCHLORITE	$3,740.84	
	11/24/2021	110	3000037893		4797.906 GALS SODIUM HYPOCHLORITE	$3,740.84	
	11/24/2021	110	3000038706		4868 GALS SODIUM HYPOCHLORITE	$3,795.48	
	11/24/2021	110	3000039471		4832 GALS SODIUM HYPOCHLORITE	$3,767.42	
	11/24/2021	110	3000037881		4799.467 GALS SODIUM HYPOCHLORITE	$3,742.04	
179184	11/18/2021	173	11834182	KRONOS INC	KRONOS CLOUD HOSTING FEE	$13,762.29	$21,554.96
	11/18/2021	173	11834119		KRONOS ANNUAL SUPPORT	$7,792.67	
179162	11/18/2021		20211117	STATE OF CALIFORNIA	SALES & USE TAX 10/01/21 - 10/31/2021	$20,218.13	$20,218.13

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179118	11/11/2021	110	224720211102	PACIFIC GAS AND ELECTRIC	SERV TO 10/21/21 CS TRAINING TRAILER	$514.26	$19,833.84
	11/11/2021	170	761520211101		SERV TO 10/25/21 NEWARK PS	$19,319.58	
179090	11/11/2021	170	392634	CORE & MAIN LP	ASTD PARTS & MATERIALS	$17,974.73	$17,974.73
179195	11/18/2021	170	100413	PRIME MECHANICAL SERVICE INC	SERVICE CALL: BLDG 70	$445.00	$17,167.00
	11/18/2021	170	100448		MONTHLY MAINTENANCE - OCT 21	$945.00	
	11/18/2021	122	100434		SERVICE CALL: BLDG 70 REPLACE ATTIC FAN COIL	$15,777.00	
179315	12/2/2021	170	9097717574	GRAINGER INC	1 WATER HEATER	$251.39	$16,735.78
	12/2/2021	170	9099786049		1 SUMP PUMP	$5,726.18	
	12/2/2021		9099856727		ASTD PARTS & MATERIALS	$8,198.20	
	12/2/2021		9101560416		ASTD PARTS & MATERIALS	$507.26	
	12/2/2021		9099386493		20 PACKS DISPOSABLE GLOVES	$664.94	
	12/2/2021		9098366009		ASTD PARTS & MATERIALS	$1,387.81	
179292	12/2/2021	143	2000559376	AECOM TECHNICAL SERVICES INC	CENTRIFUGE BUILDING IMPROVEMENTS	$9,934.09	$16,551.98
	12/2/2021	170	2000556993		HAZMAT CONSULTING SERVICES	$6,617.89	
179173	11/18/2021	110	1421692	DEPARTMENT OF GENERAL SERVICES	SERV: SEP 2021 PLANT	$15,125.71	$15,125.71
179117	11/11/2021	110	3000032443	OLIN CORPORATION	4942 GALS SODIUM HYPOCHLORITE	$3,853.18	$15,033.16
	11/11/2021	110	3000037310		4740 GALS SODIUM HYPOCHLORITE	$3,695.68	
	11/11/2021	110	3000035400		4779.769 GALS SODIUM HYPOCHLORITE	$3,742.29	
	11/11/2021	110	3000035974		4799.417 GALS SODIUM HYPOCHLORITE	$3,742.01	

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179225	11/24/2021	173	1960132	ATKINS NORTH AMERICA INC	FOG INSPECTION PILOT	$15,000.00	$15,000.00
179210	11/18/2021	170	36695	TRANSPORT PRODUCTS UNLIMITED	1 STORAGE CONTAINER	$14,729.75	$14,729.75
179319	12/2/2021	110	9017732851	KEMIRA WATER SOLUTIONS INC	47,920 LBS FERROUS CHLORIDE	$7,138.01	$14,587.18
	12/2/2021	110	9017732089		48,199 LBS FERROUS CHLORIDE	$7,449.17	
179109	11/11/2021		7386	KB HOME SOUTH BAY INC	REFUND # 42112	$13,349.66	$13,349.66
179290	12/2/2021	123	69910	3T EQUIPMENT COMPANY INC	4 FLOW THROUGH PACKERS	$12,138.20	$12,138.20
179293	12/2/2021	110	4071037120211118	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/16/21-BENSON ROAD	$1,193.57	$11,406.22
	12/2/2021	110	4071038120211118		SERV TO: 11/16/21-BENSON ROAD	$135.76	
	12/2/2021	110	4071036120211118		SERV TO: 11/16/21-BENSON ROAD	$10,076.89	
179327	12/2/2021	110	3000041634	OLIN CORPORATION	4818 GALS SODIUM HYPOCHLORITE	$3,756.50	$11,333.22
	12/2/2021	110	3000042799		4797.724 GALS SODIUM HYPOCHLORITE	$3,740.69	
	12/2/2021	110	3000040526		4920 GALS SODIUM HYPOCHLORITE	$3,836.03	
179046	11/4/2021	110	3000029849	OLIN CORPORATION	4826 GALS SODIUM HYPOCHLORITE	$3,762.73	$11,251.68
	11/4/2021	110	3000032259		4777.157 GALS SODIUM HYPOCHLORITE	$3,724.66	
	11/4/2021	110	3000031410		4828 GALS SODIUM HYPOCHLORITE	$3,764.29	
179334	12/2/2021	110	470002088	USP TECHNOLOGIES	2554 GALS HYDROGEN PEROXIDE	$11,212.06	$11,212.06
179335	12/2/2021	110	470002089	USP TECHNOLOGIES	2356 GALS HYDROGEN PEROXIDE	$10,342.84	$10,342.84

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179075	11/11/2021	130	16069092	APPLEONE EMPLOYMENT SVCS	TEMP LABOR-KIM, S., WK END 10/09/21	$1,721.60	$10,265.04
	11/11/2021	130	16076570		TEMP LABOR-KIM, S., WK END 10/16/21	$1,377.28	
	11/11/2021	130	16035376		TEMP LABOR-KIM, S., WK END 09/04/21	$688.64	
	11/11/2021	130	16052406		TEMP LABOR-KIM, S., WK END 09/25/21	$1,721.60	
	11/11/2021	130	16047966		TEMP LABOR-KIM, S., WK END 09/18/21	$1,657.04	
	11/11/2021	130	16060252		TEMP LABOR-KIM, S., WK END 10/02/21	$1,721.60	
	11/11/2021	130	16039437		TEMP LABOR-KIM, S., WK END 09/11/21	$1,377.28	
179221	11/24/2021	120	4110540720211105	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/04/21-MTR HYD B16484398	$470.98	$9,479.48
	11/24/2021	120	4110541620211104		SERV TO: 11/03/21-MTR HYD B15001102	$360.75	
	11/24/2021	170	4017420220211104		SERV TO: 11/03/21 - FREMONT BLVD	$56.61	
	11/24/2021	120	4110541020211105		SERV TO: 11/04/21-MTR HYD B15000284	$319.31	
	11/24/2021	120	4110552320211104		SERV TO: 11/03/21-MTR HYD B32896066	$310.19	
	11/24/2021	120	4110541120211104		SERV TO: 11/03/21-MTR HYD B34041338	$342.36	
	11/24/2021	170	4017275220211104		SERV TO: 11/02/21 - FREMONT BLVD	$481.09	
	11/24/2021	120	4110540920211104		SERV TO: 11/03/21-MTR HYD B14830349	$999.59	
	11/24/2021	170	4017274120211104		SERV TO: 11/02/21 - FREMONT BLVD	$5,150.54	
	11/24/2021	120	4110541320211104		SERV TO: 11/04/21-MTR HYD B16435275	$677.87	
	11/24/2021	120	4110552220211104		SERV TO: 11/03/21-MTR HYD B29389779	$310.19	

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179156	11/18/2021	143	102168	BEECHER ENGINEERING	PUMP STATIONS CHEMICAL SYSTEM IMPROVEMENTS	$1,600.00	$9,400.00
	11/18/2021	143	102163		STANDBY POWER UPGRADES	$7,800.00	
179040	11/4/2021		37432220211101	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - NOV 2021	$9,169.19	$9,169.19
179199	11/18/2021		7476	RUDOLPH & SLETTEN	REFUND # 42148	$8,908.34	$8,908.34
179082	11/11/2021	150	1203	BAYWORK	ANNUAL FEE - 2021/2022 SIGNATORY FEE	$8,500.00	$8,500.00
179182	11/18/2021		382910	KAMAN INDUSTRIAL TECHNOLOGIES	ASTD PARTS & MATERIALS	$8,000.64	$8,000.64
179062	11/4/2021	143	20676	V&A CONSULTING ENGINEERS	PLANT MISCELLANEOUS IMPROVEMENTS	$7,658.00	$7,658.00
179015	11/4/2021		20211010	AMAZON.COM LLC	10/21 - ASTD OFFICE SUPPLIES	$725.62	$7,587.32
	11/4/2021		435939493674		EMPLOYEE RECOGNITION ITEMS	$6,636.00	
	11/4/2021		978966486587		ASST JANITORIAL SUPPLIES	$225.70	
179190	11/18/2021	110	3000035030	OLIN CORPORATION	4916 GALS SODIUM HYPOCHLORITE	$3,832.90	$7,574.85
	11/18/2021	110	3000037901		4799.34 GALS SODIUM HYPOCHLORITE	$3,741.95	
179234	11/24/2021	173	206904	CDW GOVERNMENT LLC	ADMIN SERVER ROOM UPS SUPPORT 1 YEAR	$7,510.00	$7,510.00
179219	11/24/2021		69909	3T EQUIPMENT COMPANY INC	13 PIPE PATCH KITS WINTER	$7,385.92	$7,385.92

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179161	11/18/2021	150	275925	BURKE, WILLIAMS & SORENSON LLP	GENERAL LEGAL - SEP 2021	$5,557.76	$7,354.88
	11/18/2021	150	274957		EMPLOYMENT LEGAL - SEP 2021	$66.56	
	11/18/2021	150	275927		ETSU - SEP 2021	$998.40	
	11/18/2021		275926		CIP - SEP 2021	$299.52	
	11/18/2021	150	274959		GENERAL PERSONNEL - SEP 2021	$299.52	
	11/18/2021	150	275928		STANDBY POWER PROJECT - SEP 2021	$133.12	
179338	12/2/2021	170	4299474	WESTERN ENERGY SYSTEMS	1 SERVO MOTOR	$7,213.17	$7,213.17
179016	11/4/2021		8480108858	ANDRITZ SEPARATION INC	1 CENTRIFUGE REDEX MODULE	$7,014.93	$7,014.93
179047	11/4/2021		8481667	OVIVO USA LLC	ASTD CLARIFIER PARTS	$724.23	$7,000.08
	11/4/2021		8481645		2 SPRING TENSIONERS	$6,275.85	
179072	11/11/2021	143	21799291	ABC IMAGING, INC	STANDBY POWER SYSTEM UPGRADE	$6,780.52	$6,780.52
179027	11/4/2021	114	3514572	DAILY JOURNAL CORPORATION	AD: MP - AERATION BASIN MODIFICATIONS	$6,676.48	$6,676.48
179024	11/4/2021	143	15677	CAROLLO ENGINEERS	ALVARADO INFLUENT PS PUMPS AND VFDS	$3,902.26	$6,370.06
	11/4/2021	143	15967		AERATION BLOWER 11 (HIGH SPEED)	$2,467.80	
179267	11/24/2021	110	1590880	POLYDYNE INC	41,980 LBS CLARIFLOC WE-539	$6,257.94	$6,257.94
179243	11/24/2021	130	26603	FIELDMAN ROLAPP & ASSOCIATES	FINANCIAL ADVISORY SERVICES	$6,202.50	$6,202.50
179251	11/24/2021	173	23877	LOOKINGPOINT INC	ANNUAL LOOKINGPOINT SUPPORT AGREEMENT	$1,225.00	$5,885.00
	11/24/2021	173	23910		2FA PRODUCTION	$4,660.00	
179121	11/11/2021	110	1584578	POLYDYNE INC	39,000 LBS CLARIFLOC WE-539	$5,813.71	$5,813.71

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179145	11/18/2021		69895	3T EQUIPMENT COMPANY INC	6 PIPE PATCH KITS WINTER	$5,744.61	$5,744.61
179028	11/4/2021	173	1793	ETHOSOFT INC	X-LIMS ANNUAL MAINTENANCE 10/1/21 - 9/30/22	$5,712.00	$5,712.00
179287	11/24/2021	170	911412	VINCENT ELECTRIC MOTOR CO	REPAIR BLOWER #10	$5,448.33	$5,448.33
179012	11/4/2021	170	360694	ADVANCED CHEMICAL TRANSPORT	HAZARDOUS MATERIAL MANAGEMENT	$5,039.93	$5,039.93
179244	11/24/2021	170	210990	FLO-LINE TECHNOLOGY INC	ASTD WATER PUMP REBUILD PARTS	$4,831.04	$4,831.04
179070	11/11/2021	123	69883	3T EQUIPMENT COMPANY INC	5 GAL LIQUID SMOKE	$267.09	$4,791.49
	11/11/2021		69884		4 PIPE PATCH KITS WINTER	$4,524.40	
179262	11/24/2021	143	210609E	OVERAA	PRIMARY DIGESTER NO. 7 - ESCROW PYMT	$4,576.70	$4,576.70
179042	11/4/2021	170	66278516	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	$232.50	$4,323.10
	11/4/2021	170	66350662		ASTD PARTS & MATERIALS	$169.52	
	11/4/2021		67350781		6 V BELTS	$142.32	
	11/4/2021		67287163		ASTD PARTS & MATERIALS	$765.59	
	11/4/2021		67383811		ASTD PARTS & MATERIALS	$1,922.98	
	11/4/2021		67279062		ASTD PARTS & MATERIALS	$813.44	
	11/4/2021	170	66724827		ASTD PARTS & MATERIALS	$201.39	
	11/4/2021	170	66585021		ASTD PARTS & MATERIALS	$75.36	
179137	11/11/2021		30304	TESLA MOTORS	REFUND # 42117	$4,250.00	$4,250.00
179266	11/24/2021	110	106204	PIIAN SYSTEMS LLC	6 5-GAL ODOR NEUTRALIZERS	$4,177.53	$4,177.53
179205	11/18/2021	173	38673	STORMWIND LLC	IT TRAINING	$4,170.00	$4,170.00

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179217	11/18/2021		4296555	WESTERN ENERGY SYSTEMS	ASTD COGEN PARTS	$17.72	$4,122.01
	11/18/2021		4296554		ASTD COGEN PARTS	$4,104.29	
179321	12/2/2021	173	11835562	KRONOS INC	OPTIMUM ANNUAL SUPPORT	$4,121.29	$4,121.29
179063	11/4/2021	122	522671	VALLEY OIL COMPANY	BULK OIL	$4,084.16	$4,084.16
179125	11/11/2021	120	916004721142	REPUBLIC SERVICES #916	RECYCLE & ROLL OFF - NOV 2021	$4,045.32	$4,045.32
179159	11/18/2021	173	9348186911	BRADY WORLDWIDE INC	LOTO ANNUAL SUBSCRIPTION	$3,913.97	$3,913.97
179087	11/11/2021	173	325804500	BUCKLES SMITH ELECTRIC	ROCKWELL TECH CONNECT ANNUAL SUPPORT	$3,861.00	$3,861.00
179078	11/11/2021		17218406	AT&T	SERV: 09/20/21 - 10/19/21	$22.99	$3,748.53
	11/11/2021		17218430		SERV: 09/20/21 - 10/19/21	$234.71	
	11/11/2021		17218408		SERV: 09/20/21 - 10/19/21	$3,490.83	
179104	11/11/2021	170	96164293	H & E EQUIPMENT SERVICES INC	EQUIPMENT RENTAL 10/06/2021 - 11/02/21	$3,623.18	$3,623.18
179249	11/24/2021		7378	KB HOME SOUTH BAY INC	REFUND # 42151	$3,620.00	$3,620.00
179176	11/18/2021	170	1140547	FLUID COMPONENTS INTERNATIONAL	1 FLOW METER REPAIR	$3,560.77	$3,560.77
179052	11/4/2021	110	21100511	S&S TRUCKING	GRIT HAULING 10/01/2021	$772.20	$3,454.73
	11/4/2021	110	21100510		GRIT HAULING 09/27/2021	$875.52	
	11/4/2021	110	21101229		GRIT HAULING 10/06/2021	$928.41	
	11/4/2021	110	21092817		GRIT HAULING 09/22/2021	$878.60	
179081	11/11/2021	122	23767	BAYSCAPE LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE SERVICES - OCT 2021	$3,310.00	$3,310.00
179302	12/2/2021	122	24083	BAYSCAPE LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE SERVICES - NOV 2021	$3,310.00	$3,310.00

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179048	11/4/2021	130	92126550	PFM ASSET MANAGEMENT LLC	INVESTMENT MANAGEMENT / ADVISORY SERVICES	$3,203.59	$3,203.59
179336	12/2/2021		9893307121	VERIZON WIRELESS	WIRELESS SERV 10/21/21-11/20/21	$3,108.87	$3,108.87
179064	11/4/2021		9891094813	VERIZON WIRELESS	WIRELESS SERV 09/21/21-10/20/21	$3,101.55	$3,101.55
179232	11/24/2021	132	1112207	CAREERS IN GOVERNMENT INC	ANNUAL MEMBERSHIP	$3,100.00	$3,100.00
179073	11/11/2021	143	2000502352R	AECOM TECHNICAL SERVICES INC	CENTRIFUGE BUILDING IMPROVEMENTS	$2,951.11	$2,951.11
179068	11/4/2021		4291087	WESTERN ENERGY SYSTEMS	1 THROTTLE VALVE	$2,842.47	$2,842.47
179331	12/2/2021	110	21110220	S&S TRUCKING	GRIT HAULING 10/25/2021	$1,899.87	$2,657.93
	12/2/2021	110	21110321		GRIT HAULING 10/29/2021	$758.06	
179233	11/24/2021	122	2117346	SPOT COOLERS CARRIER RENTAL SYSTEMS	EQUIPMENT RENTAL 09/07/21-10/27/21	$2,602.63	$2,602.63
179226	11/24/2021	122	33682	BAY COUNTIES DIESEL SERVICE	DIESEL SMOKE TESTING	$2,596.97	$2,596.97
179248	11/24/2021	141	GBBT097	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICES - NOV 21	$1,555.44	$2,506.39
	11/24/2021	141	DZXV564		OFF-SITE STORAGE AND SERVICES - NOV 21	$950.95	
179142	11/11/2021		30451	VALLEY OAK PARTNERS	REFUND # 42104	$2,500.00	$2,500.00
179211	11/18/2021		30425	TRENCHFREE INC	REFUND # 42124	$500.00	$2,500.00
	11/18/2021		30387		REFUND # 42131	$500.00	
	11/18/2021		30293		REFUND # 42126	$500.00	
	11/18/2021		30293.1		REFUND # 42125	$500.00	
	11/18/2021		28190		REFUND # 42134	$500.00	
179275	11/24/2021	110	21102519	S&S TRUCKING	GRIT HAULING 10/18, 10/20 & 10/22/2021	$2,472.81	$2,472.81

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179045	11/4/2021	170	135653	NEW IMAGE LANDSCAPING CO	LANDSCAPE MAINTENANCE - FMC - OCT	$2,469.17	$2,469.17
179304	12/2/2021	121	195498	BRENNTAG PACIFIC INC	2552 LBS SODIUM HYDROXIDE	$808.58	$2,418.43
	12/2/2021	121	195499		5104 LBS SODIUM HYDROXIDE	$1,609.85	
179329	12/2/2021	170	013720211112	PACIFIC GAS AND ELECTRIC	SERV TO 11/03/21 BOYCE RD PS	$2,179.65	$2,377.84
	12/2/2021	170	140120211112		SERV TO 11/02/21 IRVINGTON PS	$198.19	
179065	11/4/2021	170	636340	VIATRAN CORPORATION	ASTD ELECTRICAL PARTS	$2,312.76	$2,312.76
179171	11/18/2021	114	3514573	DAILY JOURNAL CORPORATION	AD: MP - AERATION BASIN MODIFICATIONS	$2,146.56	$2,146.56
179103	11/11/2021	170	9072782403	GRAINGER INC	ASTD PARTS & MATERIALS	$622.71	$2,095.79
	11/11/2021	171	9073404379		1 RECIPROCATING SAW	$136.73	
	11/11/2021		9079264074		60 PRS SAFETY GLASSES	$496.38	
	11/11/2021		9072064133		ASTD PARTS & MATERIALS	$140.88	
	11/11/2021	170	9079264082		1 AIR LINE LUBRICATOR	$57.83	
	11/11/2021		9069152479		ASTD PARTS & MATERIALS	$641.26	
	11/11/2021		9072414650		CREDIT: ASTD PARTS & MATERIALS	$-82.39	
	11/11/2021		9073404361		ASTD PARTS & MATERIALS	$82.39	
179191	11/18/2021	173	1002568109	OPTIV SECURITY INC	KNOWBE4 RENEWAL	$2,092.50	$2,092.50
179151	11/18/2021	150	5188620210902	APWA AMERICAN PUBLIC WORKS	MEMBERSHIP RENEWAL: 12/1/21 - 11/30/22	$2,070.00	$2,070.00

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179253	11/24/2021	113	2110H16	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	$225.00	$2,061.00
	11/24/2021	113	2110F26		LAB SAMPLE ANALYSIS	$693.00	
	11/24/2021	113	2110H12		LAB SAMPLE ANALYSIS	$447.50	
	11/24/2021	113	2110B15A		LAB SAMPLE ANALYSIS	$87.50	
	11/24/2021	113	2110G68		LAB SAMPLE ANALYSIS	$608.00	
179310	12/2/2021		133779128	COLORADO WASHINGTON INC COMCAST OF	FIBER INTERNET BACKUP - NOV 2021	$2,010.71	$2,010.71
179018	11/4/2021		17185993	AT&T	SERV: 09/13/21 - 10/12/21	$751.30	$1,956.42
	11/4/2021		17155894		SERV: 09/10/21 - 10/09/21	$1,007.32	
	11/4/2021		17185997		SERV: 09/13/21 - 10/12/21	$88.14	
	11/4/2021		17185996		SERV: 09/13/21 - 10/12/21	$66.46	
	11/4/2021		17185995		SERV: 09/13/21 - 10/12/21	$43.20	
179122	11/11/2021	122	100363	PRIME MECHANICAL SERVICE INC	SERVICE CALL	$1,946.00	$1,946.00
179097	11/11/2021	130	26562	FIELDMAN ROLAPP & ASSOCIATES	FINANCIAL ADVISORY SERVICES	$1,927.50	$1,927.50
179128	11/11/2021		2751	ROCKWELL SOLUTIONS INC	2 SENSOR KITS	$1,905.02	$1,905.02
179187	11/18/2021	170	67963110	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	$71.42	$1,894.37
	11/18/2021	170	67992701		ASTD PARTS & MATERIALS	$121.14	
	11/18/2021		68303405		ASTD PARTS & MATERIALS	$317.07	
	11/18/2021		67366335		ASTD PARTS & MATERIALS	$1,058.15	
	11/18/2021	170	68062311		ASTD PARTS & MATERIALS	$326.59	

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179296	12/2/2021		20211110	AMAZON.COM LLC	11/21 - ASTD OFFICE SUPPLIES	$1,760.75	$1,893.65
	12/2/2021		555933596635		1 DISINFECTANT SPRAY	$132.90	
179258	11/24/2021		902528	NAPA AUTO PARTS	3 FILTERS	$34.86	$1,849.47
	11/24/2021		20211031		MONTHLY AUTO PARTS STMT - OCT 2021	$1,814.61	
179257	11/24/2021	170	105769	MUNIQUIP, LLC	2 TRANSDUCERS	$1,838.45	$1,838.45
179080	11/11/2021	110	4KZ56	BAY AREA AIR QUALITY MGMT DIST	ANNUAL PERMIT RENEWAL - SITE A2884	$957.00	$1,833.00
	11/11/2021	110	4KZ57		ANNUAL PERMIT RENEWAL - SITE A2885	$876.00	
179215	11/18/2021	121	48539	WECO INDUSTRIES LLC	CAMERA REPAIRS	$368.75	$1,770.37
	11/18/2021		48540		CAMERA PARTS	$1,401.62	
179222	11/24/2021	120	15185	AMERICAN DISCOUNT SECURITY	10/01/21 - 10/31/21 GUARD AT DISTRICT	$1,764.00	$1,764.00
179312	12/2/2021	143	3523267	DAILY JOURNAL CORPORATION	AD: STANDBY POWER SYSTEM UPGRADE	$1,759.68	$1,759.68
179297	12/2/2021	130	16101412	APPLEONE EMPLOYMENT SVCS	TEMP LABOR-KIM, S., WK END 11/06/21	$1,700.08	$1,700.08
179131	11/11/2021	110	21102017	S&S TRUCKING	GRIT HAULING 10/15/2021	$814.64	$1,688.32
	11/11/2021	110	21101909		GRIT HAULING 10/11/2021	$873.68	
179269	11/24/2021	122	100505	PRIME MECHANICAL SERVICE INC	SERVICE CALL	$1,224.00	$1,669.00
	11/24/2021	170	100532		SERVICE CALL	$445.00	
179150	11/18/2021	130	16085801	APPLEONE EMPLOYMENT SVCS	TEMP LABOR-KIM, S., WK END 10/23/21	$1,667.81	$1,667.81
179263	11/24/2021	173	202110313	AYHAN OZCAN	UPDATING VISUAL STUDIO	$1,650.00	$1,650.00
179216	11/18/2021	143	2046907	WEST YOST ASSOCIATES	GRAVITY SEWER REHAB/REPLACEMENT	$1,518.00	$1,518.00

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179227	11/24/2021	110	16576550	BLAISDELL'S	27 DAILY BUSINESS DIARY	$1,493.63	$1,512.34
	11/24/2021	110	16580420		1 HOLE PUNCH	$18.71	
179020	11/4/2021		16515820	BLAISDELL'S	30 RM PAPER	$1,428.34	$1,504.94
	11/4/2021	130	16525230		2 BX POCKET FILES	$98.74	
	11/4/2021	144	16399830C		CREDIT ASTD OFFICE SUPPLIES	$-22.14	
179135	11/11/2021		734150209902	STAPLES CONTRACT & COMMERCIAL	JANITORIAL & BREAKROOM SUPPLIES	$356.55	$1,426.60
	11/11/2021		734159687901		JANITORIAL & BREAKROOM SUPPLIES	$524.99	
	11/11/2021		734150209901		JANITORIAL & BREAKROOM SUPPLIES	$192.67	
	11/11/2021		734079515801		JANITORIAL & BREAKROOM SUPPLIES	$352.39	
179279	11/24/2021	170	413767621	TERMINIX COMMERCIAL	PEST CONTROL	$140.00	$1,423.00
	11/24/2021	170	413764280		PEST CONTROL	$170.00	
	11/24/2021	170	413767622		OCT PEST CONTROL	$1,113.00	
179043	11/4/2021	170	2202417	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - NOV 2021	$1,379.94	$1,379.94
179120	11/11/2021	114	210075250	PINE ENVIRONMENTAL SERVICES	RENTAL: MINIRAE300 09/20/21-10/17/21	$1,331.55	$1,331.55

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179144	11/11/2021	113	8806395154	VWR INTERNATIONAL LLC	LAB SUPPLIES	$90.84	$1,288.07
	11/11/2021	113	8806414768		LAB SUPPLIES	$34.65	
	11/11/2021		8806439184		LAB SUPPLIES	$541.21	
	11/11/2021	113	8806399224		LAB SUPPLIES	$11.85	
	11/11/2021	113	8806404835		LAB SUPPLIES	$261.80	
	11/11/2021		8806474336		LAB SUPPLIES	$347.72	
179149	11/18/2021		5257424	ALL INDUSTRIAL ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	$1,260.19	$1,260.19
179169	11/18/2021	150	92068	CITYLEAF INC	2021 HOLIDAY DECOR FOR DISTRICT LOBBY	$1,250.00	$1,250.00
179223	11/24/2021	130	16093465	APPLEONE EMPLOYMENT SVCS	TEMP LABOR-KIM, S., WK END 10/30/21	$1,237.41	$1,237.41
179323	12/2/2021	113	2111014	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	$214.00	$1,236.00
	12/2/2021	113	2111250		LAB SAMPLE ANALYSIS	$480.00	
	12/2/2021	113	2111243		LAB SAMPLE ANALYSIS	$192.00	
	12/2/2021	113	2110F26A		LAB SAMPLE ANALYSIS	$35.00	
	12/2/2021	113	2111431		LAB SAMPLE ANALYSIS	$315.00	
179288	11/24/2021	113	8806523056	VWR INTERNATIONAL LLC	LAB SUPPLIES	$518.64	$1,233.84
	11/24/2021	113	8806611458		LAB SUPPLIES	$173.62	
	11/24/2021	113	8806552354		LAB SUPPLIES	$290.48	
	11/24/2021	113	8806540020		LAB SUPPLIES	$63.07	
	11/24/2021	113	8806531463		LAB SUPPLIES	$188.03	

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179229	11/24/2021		108340	BRUCE BARTON PUMP SERVICE INC	1 SUMP PUMP	$1,217.15	$1,217.15
179193	11/18/2021	141	20211117	MICHELLE POWELL	EXP REIMB: LODGING, PER DIEM, MILEAGE - CASA CONF 2021	$1,207.31	$1,207.31
179021	11/4/2021	121	187807	BRENNTAG PACIFIC INC	3828 LBS SODIUM HYDROXIDE	$1,166.52	$1,166.52
179170	11/18/2021	170	20211028	COMMUNICATION & CONTROL INC	UTILITY FEE/ANTENNA RENTAL	$1,136.60	$1,136.60
179157	11/18/2021	144	16557540	BLAISDELL'S	1 SIT/STAND STATION	$729.23	$1,127.33
	11/18/2021		16564880		10 RM PAPER	$176.98	
	11/18/2021	120	16569630		ASTD OFFICE SUPPLIES	$170.38	
	11/18/2021	144	16550821		1 MEMO HOLDER	$14.92	
	11/18/2021	120	16569631		ASTD OFFICE SUPPLIES	$35.82	
179209	11/18/2021		34337	THE CONSTRUCTION ZONE LLC	7 TRAFFIC SIGNS	$1,094.92	$1,094.92
179256	11/24/2021	114	2207455	MOBILE MODULAR MANAGEMENT CORP	ETSU TEMPORARY OFFICE SPACE	$1,080.81	$1,080.81
179055	11/4/2021		61246	SENTRY AIR SYSTEMS INC	2 AIR FILTERS	$1,080.75	$1,080.75
179155	11/18/2021		17214	BAY CITY BOILER & ENGINEERING	1 FILTER	$1,070.14	$1,070.14
179148	11/18/2021	170	9118983233	AIRGAS NCN	3 CY ARGON	$718.61	$1,054.61
	11/18/2021	170	9118940677		1 CY ARGON	$336.00	

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179050	11/4/2021	123	8201106964	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: K. CLENNON	$208.00	$1,040.00
	11/4/2021	123	8201106911		SAFETY SHOES: F. COUTO	$208.00	
	11/4/2021	111	835180791		SAFETY SHOES: S. SOTH	$208.00	
	11/4/2021	123	8201107334		SAFETY SHOES: A. DIOSDADO	$208.00	
	11/4/2021	111	835180792		SAFETY SHOES: K LANDSBOROUGH	$208.00	
179295	12/2/2021		5258303	ALL INDUSTRIAL ELECTRIC SUPPLY	2 EXIT LIGHTS	$955.22	$1,010.23
	12/2/2021	170	5258171		ASTD PARTS & MATERIALS	$55.01	
179113	11/11/2021	170	67668057	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	$88.75	$1,005.04
	11/11/2021		67912139		ASTD PARTS & MATERIALS	$102.17	
	11/11/2021	170	67600078		ASTD PARTS & MATERIALS	$814.12	
179299	12/2/2021		17301842	AT&T	SERV: 10/10/21 - 11/09/21	$1,000.91	$1,000.91
179130	11/11/2021		30441	ROOTER HERO	REFUND # 42121	$500.00	$1,000.00
	11/11/2021		30335		REFUND # 42116	$500.00	
179330	12/2/2021		30487	ROOTER HERO	REFUND # 42183	$500.00	$1,000.00
	12/2/2021		30368		REFUND # 42182	$500.00	
179066	11/4/2021		8806391171	VWR INTERNATIONAL LLC	LAB SUPPLIES	$638.45	$997.28
	11/4/2021	113	8806420201		LAB SUPPLIES	$358.83	
179340	12/2/2021	143	196708	WOODARD & CURRAN INC	HEADWORKS SCREENS REPLACEMENT	$986.50	$986.50
179241	11/24/2021		6799	ENERGY CHOICE INC	2 AIR FILTERS	$972.86	$972.86

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179200	11/18/2021	173	50672	SACRAMENTO COMPUTER POWER INC	CONTROL BLDG SERVER ROOM UPS ANNUAL SUPPORT	$965.00	$965.00
179079	11/11/2021	136	2522422552	BANK OF NEW YORK	SEP 2021 SERVICE FEES	$911.51	$911.51
179324	12/2/2021	121	68227572	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	$546.80	$910.70
	12/2/2021		68842230		ASTD PARTS & MATERIALS	$363.90	
179044	11/4/2021		24124211	MOTION INDUSTRIES INC	14 FILTERS	$909.41	$909.41
179163	11/18/2021	113	626206	CALTEST ANALYTICAL LABORATORY	13 LAB SAMPLE ANALYSIS	$899.75	$899.75
179220	11/24/2021	170	9984021951	AIRGAS NCN	CYLINDER RENTAL	$898.47	$898.47
179153	11/18/2021		341115609	AT&T	SERV: 09/11/21 - 10/10/21	$882.85	$882.85
179300	12/2/2021		9257875604	AT&T	SERV: 10/11/21 - 11/10/21	$882.85	$882.85
179177	11/18/2021	170	247804	FRANK A OLSEN COMPANY	1 GATE VALVE	$873.20	$873.20
179307	12/2/2021	144	111181	CELLOTAPE	2000 ADHESIVE LABELS	$849.22	$849.22
179202	11/18/2021		2054447002	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	$847.81	$847.81
179033	11/4/2021	111	12691360	HACH COMPANY	LABORATORY SUPPLIES	$624.58	$817.49
	11/4/2021	170	12681924		LABORATORY SUPPLIES	$192.91	
179172	11/18/2021		20211025	DALE HARDWARE INC	10/21 - ASTD PARTS & MATERIALS	$816.82	$816.82
179301	12/2/2021	136	2522427780	BANK OF NEW YORK	OCT 2021 SERVICE FEES	$814.41	$814.41
179124	11/11/2021		8706	PUMPWORKS INC	6 MECHANICAL SEALS	$811.36	$811.36
179271	11/24/2021	120	01K0036018380	NESTLE WATERS NO. AMERICA READYREFR	WATER SERVICE 10/07/21 - 11/06/21	$805.23	$805.23
179165	11/18/2021	170	21896250	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	$804.27	$804.27

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179281	11/24/2021	122	145997	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - MONTHLY CHARGE MONITORING AGREE	$312.50	$795.83
	11/24/2021	122	145994		FIRE PROTECTION SERVICE - MONTHLY CHARGE MONITORING AGREE	$133.33	
	11/24/2021	122	145995		FIRE PROTECTION SERVICE - UL CERTIFICATE	$350.00	
179112	11/11/2021	113	2110665	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	$405.00	$779.00
	11/11/2021	113	2110849		LAB SAMPLE ANALYSIS	$374.00	
179189	11/18/2021		24125416	MOTION INDUSTRIES INC	8 AIR FILTERS	$762.49	$762.49
179152	11/18/2021		259000035048	ARAMARK	UNIFORM LAUNDERING & RUGS	$313.30	$755.93
	11/18/2021		259000035039		ASTD DUST MOPS, WET MOPS & TERRY	$54.42	
	11/18/2021		259000035055		UNIFORM LAUNDERING SERVICE	$388.21	
179164	11/18/2021	173	4037811177	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	$438.79	$754.69
	11/18/2021	173	4037812018		MTHLY MAINTENANCE BASED ON USE	$315.90	
179017	11/4/2021		259000028064	ARAMARK	UNIFORM LAUNDERING & RUGS	$308.19	$754.18
	11/4/2021		259000028130		UNIFORM LAUNDERING SERVICE	$391.57	
	11/4/2021		259000028020		ASTD DUST MOPS, WET MOPS & TERRY	$54.42	
179186	11/18/2021	113	2106G15	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	$74.00	$747.00
	11/18/2021	113	2110434		LAB SAMPLE ANALYSIS	$100.00	
	11/18/2021	113	2110665A		LAB SAMPLE ANALYSIS	$70.00	
	11/18/2021	113	2110C56		LAB SAMPLE ANALYSIS	$248.00	
	11/18/2021	113	2110B15		LAB SAMPLE ANALYSIS	$255.00	

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179102	11/11/2021	122	1841095722	GOODYEAR COMM TIRE & SERV CTRS	2 TIRES	$741.78	$741.78
179127	11/11/2021	170	439546	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	$739.43	$739.43
179305	12/2/2021	170	21897146	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	$734.27	$734.27
179188	11/18/2021	170	24125128	MOTION INDUSTRIES INC	ASTD PARTS & MATERIALS	$513.69	$732.23
	11/18/2021		24125370		10 MESH VEST	$218.54	
179059	11/4/2021		34076	THE CONSTRUCTION ZONE LLC	4 TRAFFIC SIGNS	$730.95	$730.95
179298	12/2/2021		259000040900	ARAMARK	UNIFORM LAUNDERING SERVICE	$365.51	$728.58
	12/2/2021		259000040862		UNIFORM LAUNDERING & RUGS	$308.65	
	12/2/2021	122	259000040819		ASTD DUST MOPS, WET MOPS & TERRY	$54.42	
179076	11/11/2021		259000031492	ARAMARK	UNIFORM LAUNDERING & RUGS	$330.98	$722.64
	11/11/2021		259000031517		UNIFORM LAUNDERING SERVICE	$391.66	
179094	11/11/2021		6779	ENERGY CHOICE INC	ASTD COGEN PARTS	$716.10	$716.10
179111	11/11/2021		5208598	MALLORY SAFETY AND SUPPLY LLC	ASTD CAL GAS	$573.30	$712.59
	11/11/2021		5215510		36 PR GLOVES	$139.29	
179231	11/24/2021	170	21896376	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	$707.69	$707.69
179083	11/11/2021		104978	BILCO COMPANY	30 HATCH KEYS	$699.15	$699.15
179224	11/24/2021		259000038006	ARAMARK	UNIFORM LAUNDERING SERVICE	$393.10	$697.40
	11/24/2021		259000037978		UNIFORM LAUNDERING & RUGS	$304.30	

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179201	11/18/2021	130	540798	SAFECHECKS	300 AP MANUAL CHECK STOCK	$184.23	$678.90
	11/18/2021	130	540797		300 AP MANUAL CHECK STOCK	$184.23	
	11/18/2021	130	540784		500 AP MANUAL CHECK STOCK	$310.44	
179054	11/4/2021		2055732002	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	$421.55	$677.06
	11/4/2021		2055732001		ASTD ELECTRICAL SUPPLIES	$255.51	
179025	11/4/2021	143	20211102	RAYMOND CHAU	EXP REIMB: CIP TEAM SAFETY STRATEGY RECOGNITION	$665.00	$665.00
179067	11/4/2021		48448	WECO INDUSTRIES LLC	CAMERA PARTS	$658.83	$658.83
179236	11/24/2021	132	211214687	CLAREMONT BEHAVIORAL SERVICES	DEC 2021 EAP PREMIUMS	$657.80	$657.80
179023	11/4/2021	170	21891767	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	$656.61	$656.61
179154	11/18/2021	173	518709	AVERTIUM LLC	VULNERABILITY SCAN SUBSCRIPTION - OCT 2021	$645.00	$645.00
179255	11/24/2021	170	211153	METROMOBILE COMMUNICATIONS INC	RADIO SERVICE - NOV 2021	$599.08	$599.08

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179098	11/11/2021	122	81959	FREMONT TEST ONLY	ANNUAL SMOG TESTING - VEHICLE T1256	$35.00	$595.00
	11/11/2021	122	82082		ANNUAL SMOG TESTING - VEHICLE T1268	$35.00	
	11/11/2021	122	81839		ANNUAL SMOG TESTING - VEHICLE T2267	$35.00	
	11/11/2021	122	81976		ANNUAL SMOG TESTING - VEHICLE T1327	$35.00	
	11/11/2021	122	82004		ANNUAL SMOG TESTING - VEHICLE T1359	$35.00	
	11/11/2021	122	82012		ANNUAL SMOG TESTING - VEHICLE T1337	$35.00	
	11/11/2021	122	82068		ANNUAL SMOG TESTING - VEHICLE T1328	$35.00	
	11/11/2021	122	81957		ANNUAL SMOG TESTING - VEHICLE T1306	$35.00	
	11/11/2021	122	82000		ANNUAL SMOG TESTING - VEHICLE P8364	$35.00	
	11/11/2021	122	82024		ANNUAL SMOG TESTING - VEHICLE T1339	$35.00	
	11/11/2021	122	82040		ANNUAL SMOG TESTING - VEHICLE T1372	$35.00	
	11/11/2021	122	82009		ANNUAL SMOG TESTING - VEHICLE T1361	$35.00	
	11/11/2021	122	82018		ANNUAL SMOG TESTING - VEHICLE P8363	$35.00	
	11/11/2021	122	81978		ANNUAL SMOG TESTING - VEHICLE T1303	$35.00	
	11/11/2021	122	82070		ANNUAL SMOG TESTING - VEHICLE T1340	$35.00	
	11/11/2021	122	81986		ANNUAL SMOG TESTING - VEHICLE P8257	$35.00	
	11/11/2021	122	81997		ANNUAL SMOG TESTING - VEHICLE T1369	$35.00	

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179196	11/18/2021	121	8201107957	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: M. LOPEZ	$193.49	$594.98
	11/18/2021	121	8201108067		SAFETY SHOES: J. POWELL	$193.49	
	11/18/2021	123	8201100392		SAFETY SHOES: A. DIOSDADO	$208.00	
179041	11/4/2021	113	2110429	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	$93.00	$572.00
	11/4/2021	113	2110295		LAB SAMPLE ANALYSIS	$449.00	
	11/4/2021	113	2110295A		LAB SAMPLE ANALYSIS	$30.00	
179132	11/11/2021		2054447001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	$545.58	$545.58
179022	11/4/2021		6772	CAL SANITATION RISK MNGT AUTH	WC PAYROLL AUDIT 7/1/19 - 7/1/20	$538.00	$538.00
179240	11/24/2021	143	3523268	DAILY JOURNAL CORPORATION	AD: STANDBY POWER SYSTEM UPGRADE	$535.36	$535.36
179320	12/2/2021	170	379856	KLEEN BLAST ABRASIVES	BLASTING MATERIALS	$526.08	$526.08
179181	11/18/2021		604516879	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	$154.92	$523.22
	11/18/2021		604516880		ASST JANITORIAL SUPPLIES	$368.30	
179084	11/11/2021	170	16538260	BLAISDELL'S	2 BINDERS	$41.69	$521.53
	11/11/2021	144	16550820		ASTD OFFICE SUPPLIES	$154.76	
	11/11/2021	113	16535781		ASTD OFFICE SUPPLIES	$325.08	
179029	11/4/2021	170	905109031	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	$514.70	$514.70
179019	11/4/2021		10681	ANDY BAVOUKIAN	REFUND # 42098	$500.00	$500.00
179049	11/4/2021		30428	POWER PLUMBING & ROOTER	REFUND # 42097	$500.00	$500.00
179071	11/11/2021		30301	A2Z BAY BUILDERS & PLUMBING	REFUND # 42107	$500.00	$500.00

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179085	11/11/2021		30363.1	BHIMESHWER BOMMA	REFUND # 42109	$500.00	$500.00
179092	11/11/2021		30445	DRAINLINE SEWER SPECIALIST	REFUND # 42115	$500.00	$500.00
179106	11/11/2021		30333	IN & OUT PLUMBING	REFUND # 42106	$500.00	$500.00
179114	11/11/2021		29272	MCSV BUILDERS INC	REFUND # 42110	$500.00	$500.00
179116	11/11/2021		17812	MR. ROOTER	REFUND # 42120	$500.00	$500.00
179126	11/11/2021		20902	RICHLEN CONSTRUCTION	REFUND # 42105	$500.00	$500.00
179136	11/11/2021		30337	DARRON TANG	REFUND # 42103	$500.00	$500.00
179143	11/11/2021		22987	SANDEEP VENKATESH	REFUND # 42111	$500.00	$500.00
179146	11/18/2021		30427	A2Z BAY BUILDERS & PLUMBING	REFUND # 42132	$500.00	$500.00
179158	11/18/2021		28190.1	KIRK BOISSEREE	REFUND # 42133	$500.00	$500.00
179174	11/18/2021		29286	DRAINLINE SEWER SPECIALIST	REFUND # 42142	$500.00	$500.00
179197	11/18/2021		30429	RESCUE ROOTER	REFUND # 42129	$500.00	$500.00
179203	11/18/2021		21954	RAVI SHEKHAR	REFUND # 42130	$500.00	$500.00
179213	11/18/2021		30386	EUGENE VALENZUELA	REFUND # 42128	$500.00	$500.00
179254	11/24/2021		67667931	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	$113.78	$475.43
	11/24/2021		68459626		ASTD PARTS & MATERIALS	$80.41	
	11/24/2021	122	68378788		ASTD PARTS & MATERIALS	$281.24	
179115	11/11/2021	170	20211108	MICHAEL MOSLEY	RETIREMENT GIFT - 31 YEARS OF SERVICE	$465.00	$465.00
179273	11/24/2021	170	440853	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	$461.00	$461.00

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179147	11/18/2021	114	21800837	ABC IMAGING, INC	MP - AERATION BASIN MODIFICATIONS	$422.26	$422.26
179030	11/4/2021	113	8697019	FISHER SCIENTIFIC	1 EMT DUO TORCH	$419.16	$419.16
179031	11/4/2021	170	247720	FRANK A OLSEN COMPANY	1 3-IN PLUG VALVES	$405.35	$405.35
179318	12/2/2021		604534432	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	$398.03	$398.03
179245	11/24/2021	170	9091053331	GRAINGER INC	ASTD PARTS & MATERIALS	$36.51	$397.16
	11/24/2021	111	9086774057		1 SAFETY SIGN	$18.56	
	11/24/2021	111	9090135865		1 GREASE GUN	$32.49	
	11/24/2021		9091757758		ASTD PARTS & MATERIALS	$309.60	
179303	12/2/2021	110	16535780	BLAISDELL'S	ASTD OFFICE SUPPLIES	$74.66	$395.17
	12/2/2021	144	16595560		ASTD OFFICE SUPPLIES	$71.68	
	12/2/2021	110	16607670		ASTD OFFICE SUPPLIES	$43.23	
	12/2/2021	110	16607671		ASTD OFFICE SUPPLIES	$8.61	
	12/2/2021	143	16595630		ASTD OFFICE SUPPLIES	$84.86	
	12/2/2021	144	16595561		1 PLANNER	$20.22	
	12/2/2021	170	16605290		1 HEAVY DUTY STAPLER	$91.91	
179214	11/18/2021		8806579020	VWR INTERNATIONAL LLC	LAB SUPPLIES	$277.41	$387.54
	11/18/2021	113	8806515130		LAB SUPPLIES	$17.53	
	11/18/2021	113	8806508763		LAB SUPPLIES	$92.60	
179178	11/18/2021	150	19150	FREMONT CHAMBER OF COMMERCE	MEMBERSHIP DUES	$375.00	$375.00

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179179	11/18/2021	111	9084109967	GRAINGER INC	ASTD PARTS & MATERIALS	$40.49	$368.80
	11/18/2021		9084965285		12 PACK TOWELS	$100.87	
	11/18/2021	111	9084109959		1 SAFETY SIGN	$19.10	
	11/18/2021	111	9085993153		3 DANGER SIGNS	$21.34	
	11/18/2021		9080089882		ASTD PARTS & MATERIALS	$170.19	
	11/18/2021	111	9084109942		1 WRENCH	$16.81	
179325	12/2/2021	170	24124857	MOTION INDUSTRIES INC	ASTD PARTS & MATERIALS	$353.98	$353.98
179167	11/18/2021	150	20211111	PETE CHAPARRO	LONGEVITY AWARD - 35 YEARS OF SERVICE	$350.00	$350.00
179060	11/4/2021		25655021	TRI DIM FILTER CORPORATION	180 FILTERS	$343.48	$343.48
179274	11/24/2021		7937685200	RS HUGHES CO INC	ASTD SAFETY SUPPLIES	$340.01	$340.01
179140	11/11/2021	141	430533	ULTRAEX LLC	COURIER SVCS: 6 BOARDMEMBER DELIVERY - 10/01/2021 & 10/08/2021	$332.58	$332.58
179110	11/11/2021	113	20211105	CONGNA LI	EXP REIMB: WEF/CWEA MEMBERSHIP RNWL	$332.00	$332.00
179316	12/2/2021		3Q7914	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	$328.71	$328.71
179268	11/24/2021		170065	PREFERRED ALLIANCE INC	OCT 2021 SERVICE FEE	$318.57	$318.57
179032	11/4/2021	143	9068212647	GRAINGER INC	1 VEST	$31.14	$315.22
	11/4/2021		9068738013		1 FILTER	$39.36	
	11/4/2021	170	9068738005		ASTD PARTS & MATERIALS	$244.72	
179289	11/24/2021	143	5146	WORKSMART AUTOMATION INC	HEADWORKS SCREENS REPLACEMENT	$310.00	$310.00
179328	12/2/2021	132	2102217	OPTIMUM TECHNOLOGIES LLC	AT HOME EMPLOYEE PORTAL	$310.00	$310.00

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179089	11/11/2021		324057	CENTERVILLE LOCKSMITH	12 MASTER PADLOCKS	$304.34	$304.34
179168	11/18/2021	150	20211111	RAYMOND CHAU	LONGEVITY AWARD - 30 YEARS OF SERVICE	$300.00	$300.00
179035	11/4/2021		604494411	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	$299.72	$299.72
179291	12/2/2021	114	21807938	ABC IMAGING, INC	MP - AERATION BASIN MODIFICATIONS	$289.85	$289.85
179108	11/11/2021	170	20211108	TODD JACOB	RETIREMENT GIFT - 19 YEARS OF SERVICE	$285.00	$285.00
179235	11/24/2021	150	92456	CITYLEAF INC	PLANT MAINTENANCE - NOV 2021	$275.72	$275.72
179180	11/18/2021		3Q7371	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	$265.32	$265.32
179101	11/11/2021	144	4089129204	GLACIER ICE COMPANY INC	132 7-LB BAGS OF ICE	$262.47	$262.47
179313	12/2/2021	173	540709	DLT SOLUTIONS, LLC	AWS CLOUD STORAGE - SEP 2021	$253.88	$253.88
179107	11/11/2021	173	6054619	INTRADO LIFE & SAFETY INC	E911 CLOUD SERVICE	$250.00	$250.00
179056	11/4/2021	170	20211028	PAUL SIMMONS	RETIREMENT GIFT - 16 YEARS OF SERVICE	$240.00	$240.00
179337	12/2/2021	113	8806700352	VWR INTERNATIONAL LLC	LAB SUPPLIES	$231.78	$231.78
179139	11/11/2021		2189814	TOTAL FILTRATION SERVICES INC	20 FILTERS	$231.00	$231.00
179074	11/11/2021	170	42081	ALLIED FLUID PRODUCTS CORP	2 GASKETS	$221.12	$221.12
179138	11/11/2021	170	32347272	TFORCE FREIGHT	FREIGHT - CONTROLWORX LLC	$209.43	$209.43
179036	11/4/2021	111	20211102	TIM HUGHES	EXP REIMB: SAFETY SHOES	$208.00	$208.00
179247	11/24/2021	121	20211118	DAMIEN HOGUE	EXP REIMB: CWEA MEMBERSHIP	$195.00	$195.00
179039	11/4/2021		5008	KEN GRADY CO INC	2 ROTAMETERS	$191.56	$191.56

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179309	12/2/2021	111	1902490621	CINTAS CORPORATION	1 JACKET FOR NEGIN TOOTIAN	$54.41	$190.96
	12/2/2021	144	1902510855		1 COVERALL	$136.55	
179270	11/24/2021	122	25579	R & S ERECTION OF S ALAMEDA	PM SERVICE ON ALL GATES	$184.45	$184.45
179237	11/24/2021	132	72689437	CONCENTRA MEDICAL CENTERS	3 LAB TESTS	$90.00	$183.00
	11/24/2021	132	73245567		1 DOT PHYSICAL & 1 LAB TEST	$93.00	
179077	11/11/2021	141	20211110	ROLLIE ARBOLANTE	EXP REIMB:PROFFESIONAL ENGINEER LICENSE RENEWAL	$180.00	$180.00
179129	11/11/2021	120	20211108	JESSICA RODRIGUEZ	EXP REIMB: CWEA EXAM FEE	$180.00	$180.00
179308	12/2/2021	143	20211129	RAYMOND CHAU	EXP REIMB: PE LICENSE RENEWAL	$180.00	$180.00
179218	11/18/2021		5360	ZELAYA DESIGNS	PUBLIC OUTREACH	$176.00	$176.00
179332	12/2/2021	141	20211030	SPOK INC	OCT 2021 PAGER SERVICE	$172.94	$172.94
179204	11/18/2021	141	20211001	SPOK INC	OCT 2021 PAGER SERVICE	$172.91	$172.91
179314	12/2/2021	111	20211130	AUSTIN FARSAI	EXP REIMB: SAFETY SHOES	$170.89	$170.89
179011	11/4/2021	114	21786691	ABC IMAGING, INC	MP - AERATION BASIN MODIFICATIONS	$162.76	$162.76
179095	11/11/2021		1000668692	ENVIRONMENTAL EXPRESS	ASTD LAB SUPPLIES	$162.55	$162.55
179105	11/11/2021		3Q6915	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	$155.95	$155.95
179252	11/24/2021	170	771024182	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - OCT 2021	$153.62	$153.62
179058	11/4/2021	111	20211102	SWRCB - STATE WATER RESOURCES	GRADE V OPERATOR CERTIFICATE - A. BERLING	$150.00	$150.00
179185	11/18/2021		5212184	MALLORY SAFETY AND SUPPLY LLC	36 PR GLOVES	$141.49	$141.49
179175	11/18/2021	130	20211116	MARIELA ESPINOSA	EXP REIMB: TRAVEL CHANGE FEE	$124.00	$124.00

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179013	11/4/2021	130	5375552832022	ALAMEDA COUNTY TREASURER	PROPERTY TAXES 37159 HICKORY ST	$121.52	$121.52
179285	11/24/2021		523271	VALLEY OIL COMPANY	20 TUBES GREASE	$120.72	$120.72
179051	11/4/2021		114868	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE NOV 2021	$112.00	$112.00
179272	11/24/2021		115294	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE DEC 2021	$112.00	$112.00
179311	12/2/2021	136	300007980	CSMFO - CALIF SOCIETY OF	MEMBERSHIP - L. MORENO	$110.00	$110.00
179259	11/24/2021	121	227765	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	$109.02	$109.02
179141	11/11/2021	136	98XW53421	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/16/21	$104.03	$104.03
179280	11/24/2021		25689241	TRI DIM FILTER CORPORATION	50 FILTERS	$102.44	$102.44
179230	11/24/2021	170	326045300	BUCKLES SMITH ELECTRIC	ASTD PARTS & MATERIALS	$95.94	$95.94
179119	11/11/2021		240037248	PETERSON TRACTOR CO	ASTD PARTS & MATERIALS	$91.02	$91.02
179294	12/2/2021	170	5194917001	ALAMEDA ELECTRICAL DISTR. INC.	ASTD ELECTRICAL SUPPLIES	$89.88	$89.88
179053	11/4/2021	170	85340220211022	SAN FRANCISCO WATER DEPT	SERVICE 09/21/2021 - 10/21/21	$80.90	$80.90
179322	12/2/2021	122	20211201	MATTHEW LUBINA	EXP REIMB: SAFETY SHOE INSOLES	$80.47	$80.47
179282	11/24/2021	136	98XW53441	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/30/21	$78.26	$78.26
179198	11/18/2021	171	20211117	LOUIS RIVERA III	EXP REIMB: MILEAGE FOR CALL OUT	$75.82	$75.82
179014	11/4/2021	170	4088644120211025	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 10/21/21 - BOYCE ROAD	$74.99	$74.99
179317	12/2/2021	110	2278907	HAYWARD WATER SYSTEM	WATER SERV 09/12/21 - 11/10/21	$74.31	$74.31
179246	11/24/2021		3Q7317	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	$73.08	$73.08
179276	11/24/2021		2057090001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	$66.50	$66.50

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
179057	11/4/2021	171	20211103	DUSTIN STRASBURG	EXP REIMB: MILEAGE FOR CALL OUT	$56.72	$56.72
179326	12/2/2021	170	20211129	STEVEN NOEGEL	EXP REIMB: CALL OUT MILEAGE	$55.66	$55.66
179037	11/4/2021	170	62600000237313	KELLY-MOORE PAINT COMPANY	ASTD PAINTING SUPPLIES	$42.44	$42.44
179265	11/24/2021	132	20211116	CHRISTOPHER PARKER	REIMB LIVESCAN PRE-EMPLOYMENT	$35.00	$35.00
179133	11/11/2021	170	2110046	SGS NORTH AMERICA INC	2 BOTTLES	$30.63	$30.63
179026	11/4/2021	132	73079701	CONCENTRA MEDICAL CENTERS	1 LAB TEST	$30.00	$30.00
179061	11/4/2021	136	98XW53411	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/09/21	$29.16	$29.16
179160	11/18/2021	170	40038881	BUREAU VERITAS/ANALYSTS INC	1 LAB SAMPLE ANALYSIS	$25.65	$25.65
179096	11/11/2021	132	335785	EXAMINETICS	1 HEARING TEST	$24.75	$24.75
179286	11/24/2021		9891773895	VERIZON WIRELESS	WIRELESS SERV 10/02/21-11/01/21	$21.41	$21.41

Invoices:

Credit Memos :	**4**	**-22,052.23**
$0 - $1,000 :	**358**	**117,059.78**
$1,000 - $10,000 :	**149**	**576,688.68**
$10,000 - $100,000 :	**44**	**1,318,087.87**
Over $100,000 :	**10**	**3,456,395.71**
Total:	**565**	**5,446,179.81**

Checks:

$0 - $1,000 :	**163**	**70,958.13**
$1,000 - $10,000 :	**113**	**387,389.12**
$10,000 - $100,000 :	**44**	**1,323,084.28**
Over $100,000 :	**10**	**3,664,748.28**
Total:	**330**	**5,446,179.81**

A gluttony of trash, turned into treasure

continued from page 1

collection of unique clothes, accessories and sculptures made of candy wrappers, food packaging, cloths and plastics.

The goal of the exhibit is to get people to notice, think about and discuss mass packaging and waste in today's consumer culture. "It was a way for me to package my own statement about mass consumption," Kruk explained."

San Jose-based artist's interest in recycling started when she was growing up and watched one grandmother package lavish Christmas gifts while the other grandmother carefully removed the tape on each gift and repurposed paper every year. "It got me thinking about trash and about repurposing and recycling," she said.

Kruk eventually started to save and repurpose her own trash – especially excess packaging -- as much as possible. "It became a narrative for me to talk about how everything we endeavor in our culture is mass packaged and produced in a way that we don't even recognize anymore," she said.

Since 1996, Kruk has been building, refining and growing her collection and had exhibits in numerous Bay Area art galleries, schools and museums. In addition to promoting recycling in her shows, Kruk tries to stimulate conversations about current events, including COVID-19 and racism.

An enthusiastic crowd turned up for the exhibit's gala opening on Friday, November 5 as part of Olive Hyde Gallery's effort to slowly reopen to in-person events following the COVID-19 shutdown. Most of the gallery's recent exhibits have been only available online.

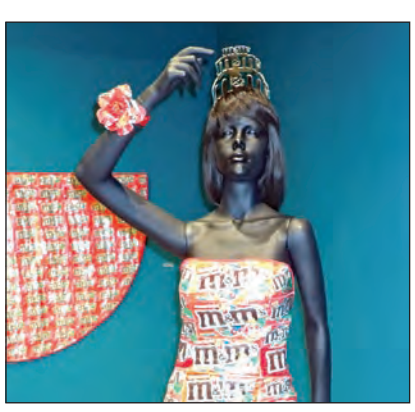
Mingling among the crowd were high school models Kate Malysheva and Skye Dumas wearing two of Kruk's newest creations. Kate, dressed as "Lady Life Saver & The Covid Cure," wore a nurse's dress, stitched together from plastic Life Savers candy wrappers, along with a face mask, stethoscope and topped with a nursing cap covered with printed barcodes.

Skye modeled the second creation, "Caffeinate the Conversation; Racism, Let it Be Gone With the Wind." It featured a bright green hoop dress made from plastic Café La Llave espresso bags stitched together with a Black Lives Matter skirt jutting out from the bottom.

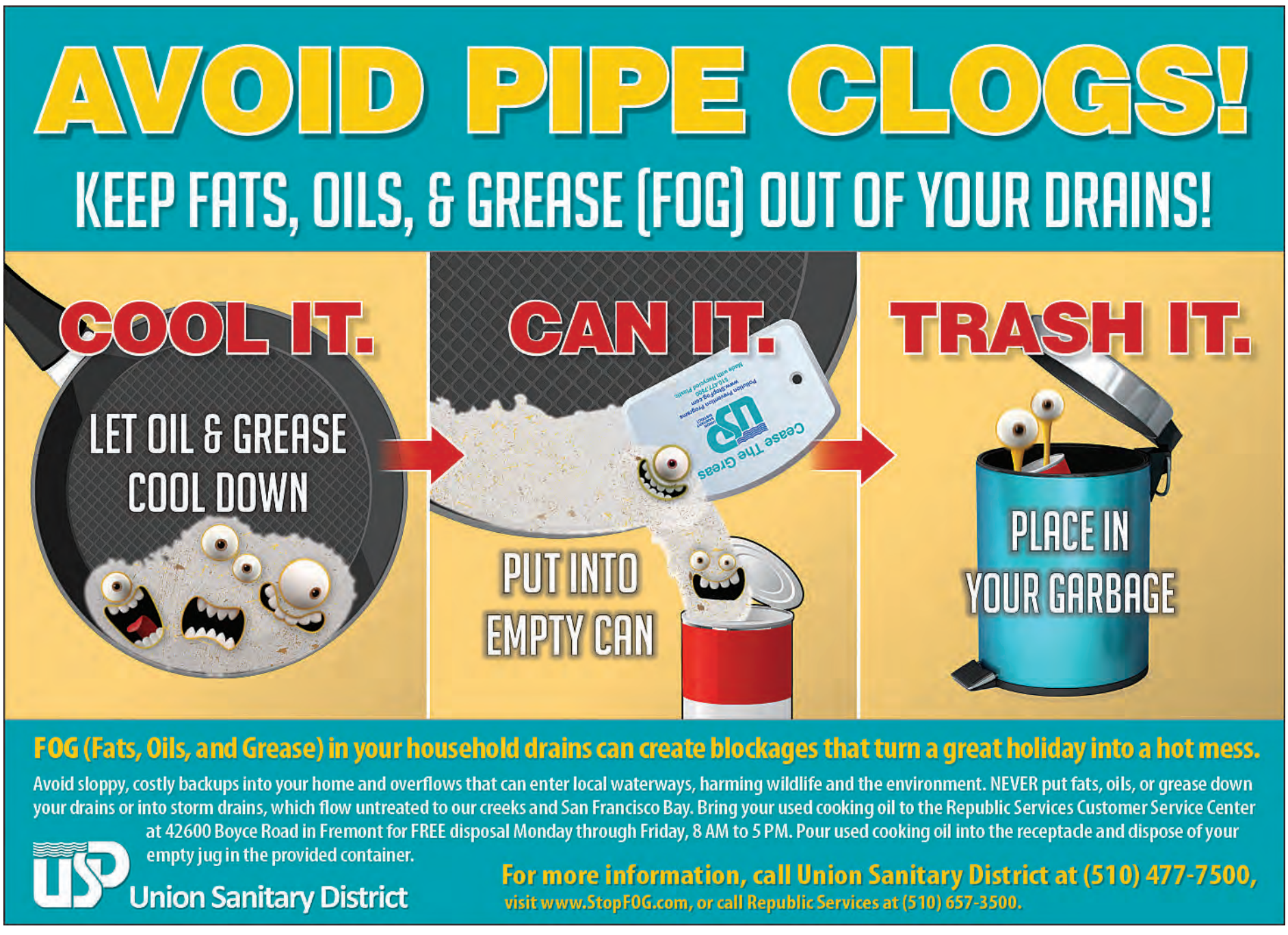
Because La Llave translates to "the key" in English, Kruk felt it was a good starting point to open a dialog about a sensitive topic. "The key to the conversation about racism is to sit down and have a cup of coffee with someone and look at them eye to eye and ask, 'why does this happen in our society?'" she explained.

Rounding out the show in the gallery's two exhibition rooms are dozens of dresses, clothing accessories and items made from common wrappers including M&Ms, Barnum's Animals Cracker boxes, C&H Sugar bags and many more. Figures including Frida Kahlo and Marilyn Monroe are also included.

Consumer Couture; Wrapped in Conversation
Thursdays – Sundays, through Dec 19
12 noon – 5 p.m.
Olive Hyde Art Gallery
123 Washington Blvd., Fremont
(510) 791-4357
olivehydeartguild.org
Free admission



LEAF
(Local Ecology and Agriculture Fremont)
Is seeking volunteers in various positions in our non-profit gardening community
from working in our food gardens to grant writing, teaching classes and project mgmt.
Website: FremontLEAF.org,
Contact us at Info@FremontLEAF.org



SFGATE

Marin County Reports 75,000 Gallon Sewage Spill

Nov. 20, 2021

SAN RAFAEL (BCN)

Marin County officials on Friday reported there the was a sewage spill of approximately 75,000 gallons that was discovered Thursday in the Happy Valley and Montecito areas of downtown San Rafael.

County officials said the preliminary cause of the sewage spill was a pipe blockage.

Investigators said the leak may have gone undetected for more than two weeks.

The blockage was ultimately cleared by the San Rafael Sanitation District about three hours after it was first reported to the agency on Thursday.

The impacted areas were disinfected, and the sanitation district and the Marin Environmental Health Services Division are investigating the incident, monitoring the spill's impacts and are looking into if sewage flowed into the San Rafael Creek and ultimately into the San Francisco Bay, officials said.

The initial sewage flow problem was located off Highland Avenue, and specialists believe the sewage flowed through storm drain pipes to a stormwater pump station. Water stored at the pump station is being moved to the nearby sewer system, officials said.

Officials said there have not been any reports of adverse affects to humans or animals in the area.

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