

Retiree Health Plan Trust (the "OPEB Trust"), established pursuant to a Trust Agreement, and managed by the OPEB Trust's administrator, Public Financial Management Asset Management. The City, as trustee, has elected to invest the OPEB Trust assets in up to six months of cash, cash equivalent and/or money market funds for near-term OPEB Trust benefits and expenses. All remaining assets will be invested in longer-term securities and will be diversified with the intent to minimize the risk of long-term investment losses. Financial reports for the Plan and the OPEB Trust are contained in the City's annual Audited Financial Statements.

**Funding Policy and Actuarial Assumptions.** The annual required contribution (ARC) was determined as part of a June 30, 2015 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.50% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 7.00% to 7.20% in 2017 to 5.00% for years starting 2021. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll, on a closed basis, using a 28 year amortization period with 26 years remaining.

**Trend Information.** The following table provides three years of historical information of the Annual OPEB Cost:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Required Contribution</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$13,586,139	\$7,469,613	55%	\$39,363,312
June 30, 2015	14,092,818	8,994,201	64%	44,461,929
June 30, 2016	16,643,000	11,471,000	69%	49,633,184

Source: City of Roseville

As of June 30, 2015, the latest Plan valuation date, the funded status of the Plan, shown below with information for the prior two valuation dates, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll ((A-B)/C)
June 30, 2011	\$34,626,000	\$176,733,000	\$(142,107,000)	19.59%	\$74,535,000	(190.66%)
June 30, 2013	41,493,000	176,733,000	(143,039,000)	22.49%	86,402,000	(165.55%)
June 30, 2015	53,826,000	206,344,000	(152,518,000)	26.09%	93,480,000	(163.16%)

Source: City of Roseville

**Funded Status and Funding Progress.** During the fiscal year ended June 30, 2016, the City has recorded a Net OPEB Obligation in the Post Retirement Internal Service Fund, representing the difference between the ARC and actual contributions, as presented below:

Annual required contribution	\$ 16,365,000
Interest on net OPEB obligation	2,890,000
Adjustment to annual required contribution	<u>(2,612,000)</u>
Annual OPEB cost (expense)	16,643,000
Contributions:	
Pay-as-you-go premiums	(7,423,963)
Transfer to OPEB Trust	<u>(4,047,782)</u>
Increase in net OPEB obligation	5,171,255
Net OPEB obligation – beginning of year	<u>44,461,929</u>
Net OPEB obligation – end of year	<u>\$ 49,633,184</u>

Source: City of Roseville

See also Note 13 in APPENDIX B-2 – Excerpted Portions of the City of Roseville Audit for additional information relating to the Plan and the Trust.

**APPENDIX B-2**

**EXCERPTED PORTIONS OF THE CITY OF ROSEVILLE AUDIT**

## APPENDIX C-1

### INFORMATION CONCERNING THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT

#### General

The South Placer Municipal Utility District ("SPMUD" or the "District") was established pursuant to the Municipal Utility District Act (California Public Utilities Code Sections 11501 et seq.) (the "Act") in 1956 under the original name of the Rocklin-Loomis Municipal Utility District. In 1987, the District changed its name to the South Placer Municipal Utility District. The District services an area of approximately 31 square miles; involving the entire City of Rocklin, the Town of Loomis and certain unincorporated communities of Placer County, including Penryn, Newcastle and the Rodgersdale Area of Granite Bay. The District provides sewer collection service to a population of approximately 74,750, involving approximately 32,825 EDUs.

#### Governance and Management

The District is a customer owned utility, governed by a five-member board of directors. Pursuant to the Act, the directors are elected at biennial general elections for staggered terms of four years.

The District's senior management consists of the following personnel:

HERB NIEDERBERGER, General Manager. Mr. Niederberger, as General Manager, oversees and manages all District operations. Mr. Niederberger has over 35 years' experience in the planning, design, engineering, operations, maintenance, financing and management of utilities in California. He has served the District for 3 years. Prior to his current position, Mr. Niederberger was General Manager of Utilities, Development and Operations for the City of Davis. Mr. Niederberger has a Bachelor's Degree in Civil Engineering from the University of California, Irvine, and a Master's Degree in Business from Golden Gate University. He is a Registered Civil Engineer and licensed Land Surveyor in California.

SAM ROSE, Superintendent. Mr. Rose is responsible for the day-to-day maintenance and operations of the District. He has served the District in this capacity for 3 years. Prior to his current position, Mr. Rose was the Technical Services Manager for the District, and has held a longstanding career with the District for over 30 years.

JOANNA BELANGER, Administrative Services Manager. Ms. Belanger is the recording secretary for the District Board of Directors and responsible for all administrative, financial, customer service, human resources, and billing functions for the District. Ms. Belanger has served the District for 5 years in this capacity. Ms. Belanger has over 18 years of experience in Administrative Management most recently at U.C. Davis and the City of Auburn.

ERIC NIELSEN, District Engineer. Mr. Nielsen is responsible for activities and operations of the Technical Services Department including Engineering, Contracting, Inspection Services and Capital Improvement Programs. Mr. Nielsen has served the District for 3 years in this capacity; he is a registered Civil Engineer in the States of California and Utah, with 16 years of engineering experience in the private sector.

#### Employees

The District has 25 full-time and 2 part-time intern employees. The District has a three-year Memorandum of Understanding, effective from July 1, 2017 through June 30, 2020, with employees and management. The District has never experienced any work stoppages by its employees.

### **Wastewater Facilities**

The District owns and operates a sewage collection system involving approximately 274 miles of pipe, 22,175 service connections, 13 pump stations and many other appurtenances. The District collects and transmits its sewage to the Dry Creek and Pleasant Grove Wastewater Treatment Plants for treatment by the City of Roseville through two major conveyance pipelines. See "THE REGIONAL WASTEWATER SYSTEM" in the beginning of the Official Statement.

### **Wastewater Permits, Licenses and Other Regulations**

The District operates under the authority and regulations of the State of California Municipal Utility District Act, as codified by the California Public Utilities Code, Chapter 764, Division 6. The District is also regulated by the State Water Resources Control Board Order No. 2006-003 (Statewide General Discharge Requirements for Sanitary Sewer Systems).

### **Wastewater Service Area and Customers**

The District's service area is determined by the Board of Directors per the California Public Utilities Code Section 12801. The area served by the District consists of approximately 30 square miles, involving the entire City of Rocklin, the Town of Loomis and certain unincorporated communities of Placer County, including Penryn, Newcastle and the Rogersdale Area of Granite Bay. The District provides sewer collection service to a population of approximately 74,750, involving approximately 32,825 EDUs as of June 30, 2017. Approximately 89.4% of the EDUs serviced by the District are located in the City of Rocklin.

The following tables show the current number of EDUs and connections served by the District by class of user and wastewater service charge revenues by class of user.

**South Placer Municipal Utility District  
Number of Equivalent Dwelling Units and Connections  
by Class of User  
As of June 30, 2017**

Class of User	Equivalent Dwelling Units	Connections	Percentage of Connections
Residential	25,856	21,175	95.49%
Commercial	6,602	1,000	4.51%
Educational <sup>(1)</sup>	367	N/A	N/A
<b>Total Users</b>	<b>32,825</b>	<b>22,175</b>	<b>100.00%</b>

(1) The educational category reflects the average EDUs for Sierra College & Del Oro High School. An existing agreement with the College allows them to self-report their usage based upon water use, and the District is not notified on additional connections within their school system. For Del Oro High School, adjustments are made annually when the School District provides information regarding any construction activity on site. Educational facilities pay connection fees to the District upon initial connection but do not pay connection fees to the District for additional improvements.

Source: SPMUD

**South Placer Municipal Utility District  
Wastewater Service Charge Revenue by Class of User  
Fiscal Year Ended June 30, 2017**

Class of User	Revenue <sup>(1)</sup>	Percentage of Revenue
Residential	\$8,687,616	77.66%
Commercial	2,218,272	19.83%
Educational <sup>(2)</sup>	280,125	2.50%
<b>Total</b>	<b>\$11,186,013</b>	<b>100.00%</b>

(1) The amount of Wastewater Service Charge Revenue in this table excludes revenue generated from late charges.

(2) The educational category reflects the average EDUs for Sierra College & Del Oro High School. An existing agreement with the College allows them to self-report their usage based upon water use, and the District is not notified on additional connections within their school system. For Del Oro High School, adjustments are made annually when the School District provides information regarding any construction activity on site. Educational facilities pay connection fees to the District upon initial connection but do not pay connection fees to the District for additional improvements.

Source: SPMUD

The following table shows the six largest users of the District by wastewater service charge revenues during the Fiscal Year ended June 30, 2017. Collectively, the six largest users accounted for approximately 2.76% of total revenues.

**South Placer Municipal Utility District  
Six Largest Users  
Fiscal Year Ended June 30, 2017**

<u>User</u>	<u>Revenue</u>	<u>Percentage of Revenue</u>
Rocklin High School District*	\$85,658	0.77%
Rocklin Elementary School District**	74,312	0.66
William Jessup University	59,560	0.53
Del Oro High School (PUHSD)	32,230	0.29
Sierra College	28,365	0.25
Walmart Rocklin	28,264	0.25
	\$308,389	2.76%

\* Includes Whitney, Victory & Rocklin High Schools.

\*\* Includes 13 Elementary Schools.

Source: SPMUD

**Rates and Charges**

The District funds the cost of the operation, maintenance and replacement, and capital expansion of its collection system through a fee system involving service fees and connection charges. Sewer service fees and connection charges are determined by and adopted by the Board of Directors of the District and are subject to change in accordance with the provisions of Section 14401 of the Act. Such rates are examined each year and are adjusted as needed to meet budgetary requirements. The charges established by the District are not subject to review or approval by any other agency. See "RISK FACTORS -- Articles XIIC and XIID of the California Constitution" in the forepart of this Official Statement.

**Current Service Charges and Billing.** The current monthly rate for residential wastewater service is \$28.00 and has been in effect since July 1, 2012. The monthly rate for commercial wastewater service is based upon the rate of \$28.00 multiplied by the number of EDUs allocated to such commercial building. Residential and commercial customers are billed quarterly. A fee increase has been proposed, with adoption anticipated to occur on July 6, 2017. Fees will increase to \$31.00 effective September 1, 2017.

**Current Connection Charges.** The connection fee for fiscal year ended June 30, 2017 was \$11,207 per EDU, which included the District's Local Connection Fee in the amount of \$3,750 per EDU and the Regional Connection Fee collected by the District and remitted to the City in the amount of \$7,457 per EDU. In July 2017, the Regional Connection Fee increased to \$7,634.

**Historical Rates and Charges.** The table below shows the District's recent past and current Local Connection Fee and monthly service charges.

<u>Fiscal Year</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Service Charge	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00
Connection Fee	\$2,500.00	\$2,500.00	\$2,100.00	\$3,000.00	\$3,750.00

**Delinquencies.** At the end of each Fiscal Year, delinquent sewer charges from the prior calendar year, plus a ten percent (10%) penalty, are forwarded to Placer County where they are added to the tax rolls. Under the Teeter Plan, Placer County remits the assigned amounts back to the District during the Fiscal Year in three increments: 55% in January, 40% in May and 5% in August. Accounts assigned to the tax rolls during the Fiscal Year ended June 30, 2017 amounted to \$303,869.24. In late 2016 The District implemented a Utility Billing Delinquent (Past Due) Policy. This policy establishes uniform procedures to establish criteria in the assessment of late fees to delinquent accounts and ensure payment of these past due bills for monthly service charges. Any balance not paid in full by the due date is considered past due (delinquent). A late fee of \$2.50 will be assessed for each EDU, and will be charged monthly to each past due account.

**Financial Information**

**Budgetary Process.** The Board of Directors of the District approves each year's budget submitted by the District's General Manager. The operating budget is subject to supplemental appropriations, budget transfers and other changes throughout the year in order to provide flexibility to meet changing needs and conditions. These supplemental appropriations, budget transfers and other changes are subject to the approval of the Board of Directors of the District.

**Financial Statements & Accounting Policies.** The District's Annual Financial Report is currently audited by Stroub Thompson Noble, Sacramento, California, in accordance with generally accepted auditing standards, and contains opinions that the financial statements present fairly the financial position of the various funds maintained by the District. The reports include certain notes to the financial statements that may not be fully described below. Such notes constitute an integral part of the audited financial statements. Copies of these reports are available on request from the District. See APPENDIX C-2 – Excerpted Portions of the South Placer Municipal Utility District Audit.

**Selected Financial Information.** The table below presents summaries of certain financial data relating to the District for the Fiscal Years ended June 30, 2012 through 2016 (audited), as well as June 30, 2017 (unaudited) and June 30, 2018 (budgeted).

<b>South Placer Municipal Utility District</b>							
<b>Gross Revenues, Operation and Maintenance Costs and Net Revenues<sup>(1)</sup></b>							
<b>Fiscal Year Ended June 30, 2012 through 2016 (Audited)</b>							
<b>and Fiscal Years Ended June 30, 2017 (Unaudited) and 2018 (Budgeted)</b>							
	2012 (Audited)	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Unaudited)	2018 (Budgeted)
<b>Gross Revenues:</b>							
Wastewater Service Charges	\$9,489,453	\$10,267,976	\$12,661,500	\$10,758,026	\$10,911,091	\$11,029,200	\$12,178,164
Local Connection Fees <sup>(2)</sup>	411,250	680,755	2,520,000	888,198	1,443,773	3,625,002	2,000,000
Interest Income	643,017	595,321	347,632	384,925	347,632	427,491	474,500
Taxes	575,130	610,408	895,602	686,237	825,604	859,954	850,000
Other Revenue	55,583	145,039	145,039	342,247	443,885	467,200	355,000
<b>Total Gross Revenues</b>	<b>11,174,433</b>	<b>12,299,498</b>	<b>16,569,773</b>	<b>13,059,633</b>	<b>13,971,985</b>	<b>16,408,847</b>	<b>15,857,664</b>
<b>Participant Local Operation and Maintenance Costs<sup>(3)</sup></b>	<b>3,349,913</b>	<b>3,070,471</b>	<b>3,070,471</b>	<b>4,989,253</b>	<b>4,757,475</b>	<b>4,507,384</b>	<b>5,358,400</b>
<b>Regional Operation &amp; Maintenance Costs</b>	<b>3,694,830</b>	<b>3,267,206</b>	<b>5,114,404</b>	<b>4,591,517</b>	<b>6,476,122</b>	<b>6,157,248</b>	<b>6,387,000</b>
<b>Total Operation &amp; Maintenance Costs<sup>(3)</sup></b>	<b>7,044,743</b>	<b>6,337,677</b>	<b>8,184,875</b>	<b>9,580,770</b>	<b>11,233,597</b>	<b>10,664,632</b>	<b>11,745,400</b>
<b>Participant Net Revenues</b>	<b>4,129,690</b>	<b>5,961,822</b>	<b>8,384,898</b>	<b>3,478,863</b>	<b>2,738,388</b>	<b>5,744,215</b>	<b>4,112,264</b>
<b>Debt Service:</b>							
Proportionate Share of Debt Service <sup>(4)</sup>	2,483,520	2,237,787	2,143,371	2,075,623	2,061,498	2,102,728	2,959,782
RSF Withdrawal for Debt Service	(2,483,520)	(2,237,787)	(2,143,371)	(2,075,623)	(2,061,498)	(2,102,728)	(2,959,782)
Proportionate Share of Debt Service Net of RSF Draws	-	-	-	-	-	-	-
<b>Net Revenues Available after Debt Service</b>	<b>4,129,690</b>	<b>\$5,961,822</b>	<b>8,384,898</b>	<b>3,478,863</b>	<b>2,738,388</b>	<b>5,744,215</b>	<b>4,112,264</b>

(1) Figures derived from SPMUD's audited financial statements.

(2) Regional Connection Fees are transferred to Roseville for deposit into the Regional Construction Fund.

(3) Operation & Maintenance Costs exclude depreciation and include both local collection system operation and maintenance costs and SPMUD's share of Regional Operation & Maintenance Costs.

(4) Information provided by the City of Roseville.

## **Unrestricted Cash Reserves**

As of June 30, 2017 the District had \$54,132,806 in reserves allocated to three different funds: Fund 100 – General Fund Reserve; Fund 300- Capital Improvement Plan and Expansion Fund Reserve; and Fund 400 – Capital Replacement and Rehabilitation Fund Reserve. The SPMUD Board of Directors has the authority to expend these reserves to benefit the District.

***Management's Discussion and Analysis.*** The following discussion relates to certain items shown in the table above.

Gross Revenues and Connection Fees. Gross Revenues have generally increased over the period from the Fiscal Years ended June 30, 2013 through 2016, from \$12.3 million to \$14.0 million as a result of additional connections coming on line. From Fiscal Year 2012-13 through 2015-16, Local Connection Fees increased from \$1.23 million annually to \$2.10 million due to an increase in construction activity and the District's decision to raise its local participation fee to \$3,750 per EDU. Revenue from the monthly service charge has increased from \$10.26 million in Fiscal Year 2012-13 to \$10.655 million in Fiscal Year 2015-16, as a result of growth in the District with no increase in monthly wastewater rates. The District plans on implementing a 3-year series of rate increases commencing on September 1, 2017, raising the rates to \$31 per EDU, \$34 per EDU as of \_\_\_\_\_ and \$36 per EDU monthly as of \_\_\_\_\_.

Operations and Maintenance Costs. Total District Operations & Maintenance Costs increased significantly from \$8.7 million in Fiscal Year 2012-13 to \$11 million in Fiscal Year 2015-16. The majority of this increase is attributable to SPWA operations, maintenance and rehabilitation and replacement costs that have increased from \$4.07 million to \$5.71 million over the same time.

## **Outstanding Long-Term Obligations**

The District's obligations under the Funding Agreement are the District's only long-term obligations payable from revenues of the District's Wastewater Utility.

## **Insurance**

The District currently maintains commercial property general liability and workers compensation insurance through the Special District Risk Management Authority. General Liability limits to \$10,000,000, Errors & Omissions limits to \$10,000,000, Personal Liability Coverage Board members limits to \$500,000, Employment Practices Liability limits to \$10,000,000, Employee Benefits Liability limits to \$10,000,000, Employee Dishonesty Coverage limits to \$400,000, Auto Liability limits to \$10,000,000, Auto Physical Damage, Uninsured Motorists limits to \$750,000, Property Coverage limits to \$1,000,000,000, Machinery Coverage limits to \$100,000,000 and Workers Compensation limits to \$5,000,000.

## **Investment Policy**

The District adopted Policy 3120–Investment of District Funds in 2015 per Resolution 15-27. In accordance with Policy 3120, the Board of Directors of the District is required to review the Investment Policy on an annual basis. Certain provisions of the Investment Policy are summarized below.

**Authorized Investments.** The District is authorized to invest in investments listed in Section 53601 and related subsections of the California Government Code.

**Basic Policy and Objectives.** The Investment Policy of the District is a conservative policy guided by three principles of public fund management. In specific order of importance, the three principles are:

(a) Safety of Principal – Investments shall be undertaken in a manner which first seeks to preserve portfolio principal.

(b) Liquidity – Investments shall be made with maturity dates that are compatible with cash flow requirements and which will permit easy and rapid conversion into cash, at all times, without a substantial loss of value.

(c) Return on Investment – Investments shall be undertaken to produce an acceptable rate of return after first consideration for principal and liquidity.

**Reporting Requirements.** Each month the General Manager is required to prepare and submit a report of investment transactions to the Board of Directors of the District. This report will be sufficiently detailed to provide information for investment evaluation. This report will also contain a statement of compliance of the portfolio with the statement of Investment Policy and a statement of the District's ability to meet its expenditure requirements for the next six (6) months.

**Current Investment.** The District currently has diversified its investments in CalTrust, the Local Area Investment Fund, the Placer County treasury and Fixed Income Securities backed by the Federal Government and managed by Wells Fargo.

### **Defined Benefit Pension Plan**

The District's defined benefit pension plan, the California Public Employee's Retirement System ("CalPERS"), provides retirement and disability benefits, annual cost of living adjustments and death benefits to all plan members and beneficiaries.

The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The District now has three tiers as it relates to retirement through CalPERS.

Tier I – 2.7% at 55 - The required employer contribution rate for Fiscal Year 2017/18 is 11.675%. Tier I employees contribute an 8% employee retirement contribution.

Tier II -2% at 55 - The required employer contribution rate for Fiscal Year 2017/18 is 8.148%. Tier II employees contribute a 7% employee retirement contribution.

Tier III – 2% at 62 - The required employer contribution rate for Fiscal Year 2016/17 was 6.533%. Tier III employees contribute a 6.25% retirement contribution.

For Fiscal Year 2016-17, the District's annual pension cost is estimated to be \$344,000.

CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CalPERS is an agency

in California managing pension and health benefits for more than 1.6 million California public, employees, retirees and their families. CalPERS acts as a common investment and administrative agent for participating public employers within the state of California menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods).

The District Board of Directors desires to fully fund its obligations to CalPERS. These obligations are calculated in accordance with a historical discount rate experienced by CalPERS over previous years. This discount rate was used to determine not only current payouts for CalPERS but also future pension plan payouts. However, the downturn in the economy has resulted in huge losses and an underfunded liability within the CalPERS portfolio.

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

CalPERS has released plans that will reduce the discount rate for local agencies from 7.5 percent to 7.375 percent in Fiscal Year 2018-19, 7.25 percent in 2019-20, and down to 7.0 percent in 2020-21. The long-term plan calls for CalPERS to continually lower the discount rate to 6.5% over the next 20 years.

The benefits of reducing the discount rate include:

- Strengthening long-term sustainability of the fund
- Reducing negative cash flows; additional contributions will help to offset the cost to pay pensions
- Reducing the long-term probability of funded ratios falling below undesirable levels
- Improving the likelihood of CalPERS investments earning our assumed rate of return
- Reducing the risk of contribution increases in the future from volatile investment markets

Employer contribution increases as a result of the discount rate changes are estimated below. The Total Employer Contribution is the sum of the Normal Cost Rate applied to reported payroll plus the Unfunded Accrued Liability payment. The Normal Cost portion of the Employer Contribution is expected to increase by the listed percentages of payroll. Increases to the UAL payments are provided as relative increases to be applied to the projected UAL payments in the June 30, 2015 valuation report.

## CalPERS Normal Cost and Required Unfunded Accrued Liability (UAL) Payments

<u>Valuation Date</u>	<u>Fiscal Year</u> <u>Impact</u>	<u>Normal Cost</u>		<u>UAL Payments</u>	
		<u>Misc.</u> <u>Plans</u>	<u>Safety</u> <u>Plans</u>	<u>Misc.</u> <u>Plans</u>	<u>Safety</u> <u>Plans</u>
6/30/2016	2018-19	0.25% - 0.75%	0.5% - 1.25%	2% - 3%	2% - 3%
6/30/2017	2019-20	0.5% - 1.5%	1.0% - 2.5%	4% - 6%	4% - 6%
6/30/2018	2020-21	1.0% - 3.0%	2.0% - 5.0%	10% - 15%	10% - 15%
6/30/2019	2021-22	1.0% - 3.0%	2.0% - 5.0%	15% - 20%	15% - 20%
6/30/2020	2022-23	1.0% - 3.0%	2.0% - 5.0%	20% - 25%	20% - 25%
6/30/2021	2023-24	1.0% - 3.0%	2.0% - 5.0%	25% - 30%	25% - 30%
6/30/2022	2024-25	1.0% - 3.0%	2.0% - 5.0%	30% - 40%	30% - 40%

The changes to the Unfunded Accrued Liability ("UAL") due to changes of actuarial assumptions are amortized over a fixed 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. The 5-year ramp up means that the payments in the first four years of the amortization schedule are 20 percent, 40 percent, 60 percent and 80 percent of the ultimate payment, which begins in year five. The 5-year ramp down means that the reverse is true and the payments in the final four years are ramped down by the above percentages. A new ramp is established with each change to the discount rate. There will be three ramps established in the first three years. As a result of the 5-year ramp up and effective date of the increase, it will be seven years until the full impact of the discount rate change is completely realized.

The CalPERS amortization schedules to repay the UAL are included below. The Board of Directors has elected to pay the UAL over 20 years.

## CalPERS Actuarial Valuation Amortization Summary

Fiscal Year	30-Year			
	Tier 1	Tier 2	Tier 3	Total
2016/17	\$ 211,438	\$ 107	\$ 112	\$ 211,657
2017/18	246,614	-	189	246,803
2018/19	283,710	-	271	283,981
2019/20	300,632	-	358	300,990
2020/21	320,738	-	403	321,141
2021/22	330,360	-	415	330,775
<b>Total</b>	<b>\$ 1,693,492</b>	<b>\$ 107</b>	<b>\$ 1,748</b>	<b>\$ 1,695,347</b>

Fiscal Year	20-Year			
	Tier 1	Tier 2	Tier 3	Total
2016/17	\$ 273,762	\$ -	\$ 314	\$ 274,076
2017/18	281,975	-	326	282,301
2018/19	290,434	-	336	290,770
2019/20	299,147	-	346	299,493
2020/21	308,121	-	356	308,477
2021/22	317,365	-	367	317,732
<b>Total</b>	<b>\$ 1,770,804</b>	<b>\$ -</b>	<b>\$ 2,045</b>	<b>\$ 1,772,849</b>

Fiscal Year	15-Year			
	Tier 1	Tier 2	Tier 3	Total
2016/17	\$ 332,368	\$ -	\$ 384	\$ 332,752
2017/18	342,339	-	396	342,735
2018/19	352,610	-	408	353,018
2019/20	363,188	-	420	363,608
2020/21	374,038	-	433	374,471
2021/22	385,306	-	446	385,752
<b>Total</b>	<b>\$ 2,149,849</b>	<b>\$ -</b>	<b>\$ 2,487</b>	<b>\$ 2,152,336</b>

**Other Post-Employment Benefits (OPEB):** South Placer Municipal Utility District's Post-Retirement Healthcare Plan is a single employer defined benefit healthcare plan administered by CalPERS. CalPERS provide medical insurance benefits and life insurance benefits to eligible retirees and their eligible dependents. The District approved post-retirement health insurance benefits for all of its employees effective July 1, 2007 under the Public Employees' Medical and Hospital Care Act (PEMHCA). Retirement eligibility is determined based on a minimum of reaching age 50 with at least 5 years of employment with the District. For an employee retiring with 5 or more years of service with SPMUD, the District will contribute the health benefit cost for the retiree and family members up to 100% of the greater of the CalPERS family rate for Kaiser. A retiree with less than 5 complete years of service with the District receives no benefit, unless they have previous employment qualifying them for CalPERS retirement, in which case they are eligible to receive the CalPERS minimum at the time of retirement. The CalPERS minimum is set by law. The retiree is on the same medical plan as the District's active employees, however monthly rates for coverage of covered active and retired employees are computed separately.

The contribution requirement of the District to contribute to the plan is established and may be amended by the Board. Currently, employees are not required to contribute to the plan. The District's contributions are calculated on a pre funding basis using entry age normal cost, with investment gains and losses amortized over the remaining 24 year period with payments determined on a level percent of pay basis. The District has prefunded the actuarial accrued liability ("AAL") based on a calculation of the annual required contribution certified by an actuarial valuation service. The District chose the California Employers Retiree Benefit Trust ("CERBT") as the trustee for the plan. The District made the net contribution for fiscal year end June 30, 2016 by paying health insurance providers or reimbursing retiree paid premiums. These reimbursements were not funded by CERBT.

Annual OPEB Cost and Net OPEB Obligation. The District's OPEB cost (expense) is calculated based upon the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table represents the schedule of funding progress and shows multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits available.

**Assessment of OPEB Accrued Liabilities**

Valuation Date	Actuarial Accrued Liabilities	Actuarial Accrued Assets	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	UAL as a % of Payroll
July 1, 2011	\$ 3,062,219	\$ 2,729,321	\$ 332,898	89.1%	\$ 1,387,068	24.0%
July 1, 2013	\$ 3,496,648	\$ 3,181,069	\$ 315,579	91.1%	\$ 1,425,554	22.1%
July 1, 2015	\$ 5,596,626	\$ 3,825,896	\$ 1,770,730	68.4%	\$ 1,671,388	105.9%

**APPENDIX C-2**

**EXCERPTED PORTIONS OF THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT AUDIT**

## APPENDIX D-1

### INFORMATION CONCERNING THE PROVISION OF WASTEWATER COLLECTION SERVICE TO CERTAIN AREAS WITHIN THE COUNTY OF PLACER

#### Certain County Wastewater Entities

The County of Placer (the "County") provides wastewater collection services to certain of its residents through two sewer maintenance districts ("SMD No. 2" and "SMD No. 3") and two county service areas ("CSA No. 2A" and "CSA No. 173") (collectively, the "County's Wastewater Entities"). Each of these entities is accounted for as a separate enterprise fund. SMD No. 2 was established in 1961, comprises 11.2 square miles and serves a population of approximately 18,750, involving 7,219 EDUs. CSA No. 2A was established in 1963, comprises 2.3 square miles of industrial property, involving 1,046 EDUs. CSA No. 173 was established in 2003, for the provision of wastewater services to the Dry Creek Community Plan Area, serves approximately 950 acres of land, involving 1,459 EDUs.

On December 31, 2014, the County connected sewer maintenance district No. 3 ("SMD No. 3"), to the Regional Wastewater System as part of an effort to regionalize sewer treatment throughout the western portion of the County. The County developed federal funding for the costs involved in regionalizing sewer treatment and received grant funds from the U.S. Army Corps of Engineers totaling \$4.8 million dollars for regionalizing wastewater treatment. Additionally, the County obtained financial assistance from the California State Water Resources Control Board State Revolving Fund ("SRF") in the amount of \$9.7 million dollars in order to complete the project. SMD No. 3 paid approximately \$4.4 million dollars for regional connection fees, and will continue to pay the current regional connection fee for each new connection. Although the net revenues of SMD No. 3 are not pledged to the Series 2017 Bonds or Parity Debt, the Regional Connection Fees from SMD No. 3 are deposited into the Rate Stabilization Fund. As such, the EDU, connection fee, and Rate Stabilization Fund numbers in this Official Statement include SMD No. 3 whereas the Net Revenues of the County do not.

#### Governance and Management

The County's Wastewater Entities are independent special districts that are governed by the Board of Supervisors of the County and are operated by the Environmental Utilities Division of the County's Department of Public Works and Facilities. The senior management of the Department consists of the following personnel:

**BILL ZIMMERMAN**, Deputy Director. Mr. Zimmerman attended California State University - Chico, has a degree in Engineering, and is a Professional Civil Engineer. Mr. Zimmerman has been employed with the County since 1989 and is currently Deputy Director of the Department of Public Works and Facilities and is responsible for the Environmental Utilities Division. Mr. Zimmerman has extensive experience in managing solid waste and sewer operations.

**KEN GREHM**, Director of Public Works and Facilities. Mr. Grehm attended UC Irvine, and has a degree in Civil Engineering. Mr. Grehm has been employed with the County since 2002, serving as Assistant Director of the Department of Public Works. In his current capacity of Director of Public Works and Facilities, Mr. Grehm manages a large municipal services department which provides custodial and maintenance service for over 1.5 million square feet of occupied space, new facility construction, property management, park development and maintenance, wastewater services and county-wide solid waste services including maintenance of, and operation of, active and closed landfills, transportation, transit, floodplain management, fleet management and road maintenance. Mr. Grehm has extensive experience managing construction projects and governmental management.

## Employees

The Environmental Utilities Division of the County's Department of Public Works and Facilities manages the sewer, drainage and water operations throughout the County, including the County's Wastewater Entities, with 49 full-time employees, which includes the Deputy Director, two Program Managers, a ten-member engineering/permitting group, a six-member construction management group, twenty five utility service workers, and one engineering technician two clerks, an IT Specialist, and a Senior GIS technician. Labor costs are budgeted for each of the County's Wastewater Entities and unforeseen labor needs are provided on a cost basis. All of the non-management employees are unionized. The County has not had any work stoppages by its employees.

## Wastewater Collection Facilities

SMD No. 2 is comprised of approximately 118 miles of 6 to 21-inch sewer pipe and 7 lift stations. CSA No. 2A is comprised of 10 miles of 6 to 21-inch sewer pipe and 3 sewage pump stations. In 2003 the County created CSA No. 173 to provide wastewater services to the Dry Creek Community Plan Area. CSA No. 173 is comprised of 2 lift stations and approximately 24 miles of 6 inch to 15 inch trunk sewers, including approximately 2 miles of force-main connecting the system to the Dry Creek Treatment Plant.

## Wastewater Permits, Licenses and Other Regulations

The County's Wastewater Entities are subject to permit requirements and regulation by the California Regional Water Quality Control Board.

## Wastewater Service Area and Customers

The following two tables show the current number of EDUs and connections served by each of the County's Wastewater Entities by class of user.

**County's Wastewater Entities  
Number of Equivalent Dwelling Units by Class of User  
As of June 30, 2017<sup>(1)</sup>**

Class of User	SMD No. 2	SMD No. 3	CSA No. 2A	CSA No. 173	Total	% of Total
Residential	6,229	627	0	1,473	8,329	78.97%
Commercial/Industrial	1,055	7	1,089	67	2,218	21.03
Total	7,284	634	1,089	1,540	10,547	100.00%

(1) Note: Equivalent Dwelling Units vary from year to year based upon a variety of factors, including changes in business type, refunds etc.

(2) See "--Rates and Charges – Current Service Charges and Billing" below.

Source: Placer County

**County's Wastewater Entities  
Number of Connections by Class of User  
As of June 30, 2017**

Class of User	SMD No. 2	SMD No. 3	CSA No. 2A	CSA No. 173	Total	% of Total
Residential	5,964	552	0	1,466	7,982	96.54%
Commercial/Industrial	130	4	141	11	286	3.46
Total	6,094	556	141	1,477	8,268	100.00%

\* See "--Rates and Charges – Current Service Charges and Billing" below.

Source: Placer County

The following table shows the revenues of the County's Wastewater Entities (other than SMD No. 3, because the revenues of SMD No. 3 are not pledged under the Funding Agreement to the Series 2017 Bonds or Parity Debt) by class of user.

**County's Wastewater Entities  
Revenues<sup>(1)</sup> by Class of User  
Fiscal Year Ended June 30, 2017**

<u>Class of User</u>	<u>SMD No. 2</u>	<u>CSA No. 2A</u>	<u>CSA No. 173</u>	<u>Total</u>	<u>% of Total</u>
Residential	\$3,790,716	\$0	\$748,066	\$4,538,782	79.91%
Commercial/Industrial	642,030	464,919	34,026	1,140,975	20.01
<b>Total</b>	<b>\$4,432,746</b>	<b>\$464,919</b>	<b>\$782,092</b>	<b>\$5,679,757</b>	<b>100.00%</b>

(1) Includes revenues generated from wastewater service charges and local connection fees.

(2) See "Rates and Charges – Current Service Charges and Billing" below.

Source: Placer County

The following table shows the five largest users of County's Wastewater Entities by revenues during the Fiscal Year ended June 30, 2017.

**Five Largest Users  
Fiscal Year Ended June 30, 2017**

User	Revenue <sup>(1)</sup>	Percentage of Total Revenues
Glenbrook Mobile Home Park	\$95,759	1.69%
Granite Bay High School	45,582	0.80
Country Gables	44,178	0.78
Granite Bay Mobile Home Park	41,245	0.73
Envirotech	37,676	0.66
<b>Total</b>	<b>\$264,440</b>	<b>4.66%</b>

(1) Includes revenues generated from wastewater service charges and local connection fees.  
Source: Placer County

**Rates and Charges**

The rate setting method for user fees for the County's Wastewater Entities is as follows:

(1) A budget is prepared for each of the County's Wastewater Entities. Each budget consists of four parts: wastewater treatment charges from the City of Roseville; maintenance costs to operate the wastewater collection systems that transport sewage to the City of Roseville; maintenance related improvement projects; and capital improvement projects.

(2) Local Connection Fees fund capital improvement projects for the wastewater collection systems of the County's Wastewater Entities.

(3) The City of Roseville estimates the cost of providing wastewater treatment to each of the County's Wastewater Entities each year. The cost of operation and maintenance related projects are then estimated and the total cost of operation and maintenance are combined.

(4) The estimated operations and maintenance cost is divided by the total number of equivalent dwelling units connected to the wastewater collection system of each of the County's Wastewater Entities. The result is the needed user fee for the proposed budget.

(5) If the fee needs to be increased, recommended increases are presented to the County's Board of Supervisors for approval at a public hearing in accordance with Proposition 218.

See "RISK FACTORS --Articles XIII C and XIII D of the California Constitution" in the forepart of this Official Statement.

**Current Service Charges and Billing.** The current sewer service charge per EDU is \$48.12 per month for SMD No. 2, \$33.06 for CSA No. 2A and \$38.14 for CSA No. 173. The Placer County Assessor collects the majority of these fees twice a year in conjunction with property taxes. Properties that are exempt from property taxes are billed for sewer service directly.

**Current Connection Charges.** A connection fee is a one-time fee for a new, additional or larger connection to the County's Wastewater Entities. Because connection fees are primarily collected

on new construction within the County, revenues obtained from such fees vary based on the level of construction activity. The connection fees are a combination of the Regional Connection Fee and a Local Connection Fee charged by each of the County's Wastewater Entities. The fees are projected based on capital improvements plans and are adjusted for inflation. When a fee adjustment is proposed by either the City of Roseville (with respect to the Regional Connection Fee) or by County staff (with respect to the Local Connection Fee), the proposed new connection fee is presented to the County's Board of Supervisors for approval at a public hearing.

The current connection fees for the County's Wastewater Entities are:

<u>Entity</u>	<u>Regional Connection Fee</u>	<u>Local Connection Fee</u>
SMD No. 2	\$7,634	\$1,468
SMD No. 3	[7,634]	[1,468]
CSA No. 2A	7,634	1,468
CSA No. 173	7,634	1,468

See "SECURITY FOR THE SERIES 2014 BONDS -- Funding Agreement -- Rate Stabilization Fund; Regional Connection Fees."

**Historical Rates and Charges**

The following table shows the historical monthly rates per EDU for the last five years for each of the County's Wastewater Entities.

**Historical Monthly Rates per Equivalent Dwelling Unit  
From Fiscal Year Ended June 30, 2011 Through Fiscal Year June 30, 2016**

<u>Fiscal Year (June 30)</u>	<u>SMD No. 2</u>	<u>CSA No. 2A</u>	<u>CSA No. 173</u>
2013-14	\$48.12	\$33.06	\$38.14
2012-13	48.12	33.06	38.14
2011-12	48.12	33.06	38.14
2010-11	48.12	33.06	38.14
2009-10	48.12	33.06	38.14

**Delinquencies.** The majority of the user fees are collected on the property tax rolls. Several years ago, the County implemented a "Teeter" program. The County's Wastewater Entities are guaranteed 99% of the fee submitted each year for inclusion on the tax rolls.  
Financial Information

**Budgetary Process.** The operating budgets for the County's Wastewater Entities are developed on an annual basis. The budgets are presented on an objective basis, and are developed to achieve identified objectives at the lowest possible cost to the rate-payers.

**Financial Statements.** The County's audited financial statements are currently audited by Macias, Gini & O'Connell LLP, Sacramento, California, in accordance with generally accepted auditing standards, and contains opinions that the financial statements present fairly the financial position of the various funds maintained by the County. The report includes certain notes to the financial statements that may not be fully described below. Such notes constitute an integral part of the audited financial statements. See APPENDIX D-2 – Financial Information Concerning Certain of the County of Placer's Wastewater Entities.

***Significant Accounting Policies.*** The accounting policies of the County conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. See Note 1 to APPENDIX D-2 for more information on significant accounting policies of the County.

**Selected Financial Information.** The table below presents summaries of certain financial data relating to the County's Wastewater Entities for the Fiscal Years ended June 30, 2012 through 2016 (audited), as well as June 30, 2017 (unaudited) and June 30, 2018 (budgeted).

	2012 (Audited)	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2017 (Unaudited)	2018 (Budgeted)
<b>Combined Enterprise Funds for County's Wastewater Entities</b>							
<b>Gross Revenues, Operation and Maintenance Costs and Net Revenues<sup>(1)</sup></b>							
<b>Fiscal Year Ended June 30, 2012 through 2016 (Audited)</b>							
<b>and Fiscal Year Ended June 30, 2017 (Unaudited) and 2018 (Budgeted)</b>							
<b>Gross Revenues:</b>							
Wastewater Service Charges	\$5,195,598	\$5,190,999	\$5,293,105	\$5,310,860	\$5,380,729	\$5,342,810	\$5,398,480
Local Connection Fees <sup>(1)</sup>	129,418	92,812	167,147	990,946	228,623	155,028	369,936
Interest Income	252,280	33,335	112,533	109,314	133,604	134,013	118,100
Other Revenue	379,246	946,106	676,264	150,308	29,492	48,369	627,047
<b>Total Gross Revenues</b>	<b>5,956,542</b>	<b>6,263,252</b>	<b>6,249,049</b>	<b>6,561,428</b>	<b>5,772,448</b>	<b>5,680,220</b>	<b>6,513,563</b>
<b>Participant Local Operation and Maintenance Costs<sup>(2)</sup></b>	<b>2,212,771</b>	<b>2,707,200</b>	<b>3,227,032</b>	<b>2,942,840</b>	<b>3,023,937</b>	<b>3,222,001</b>	<b>3,728,978</b>
<b>Regional Operation &amp; Maintenance Costs<sup>(3)</sup></b>	<b>1,897,463</b>	<b>1,673,823<sup>(4)</sup></b>	<b>2,314,383</b>	<b>2,253,746</b>	<b>2,166,359</b>	<b>1,874,756</b>	<b>2,295,279</b>
<b>Total Operation &amp; Maintenance Costs<sup>(4)</sup></b>	<b>4,110,234</b>	<b>4,381,023</b>	<b>5,541,415</b>	<b>5,196,586</b>	<b>5,190,296</b>	<b>5,096,757</b>	<b>6,024,257</b>
<b>Participant Net Revenues</b>	<b>1,846,308</b>	<b>1,882,229</b>	<b>707,634</b>	<b>1,364,842</b>	<b>582,152</b>	<b>583,463</b>	<b>489,306</b>
<b>Debt Service:</b>							
Proportionate Share of Debt Service <sup>(3)</sup>	2,069,268	1,587,209	1,520,332	1,472,276	1,462,258	1,514,533	1,402,960
RSF Withdrawal for Debt Service	(2,069,268)	(1,587,209)	(1,520,332)	(1,472,276)	(1,462,258)	(1,514,533)	(1,402,960)
Proportionate Share of Debt Service Net of RSF Draws	0	0	0	0	0	0	0
<b>Net Revenues Available after Debt Service</b>	<b>\$1,846,308</b>	<b>\$1,882,229</b>	<b>\$707,634</b>	<b>\$1,364,842</b>	<b>\$582,152</b>	<b>\$583,463</b>	<b>\$489,306</b>

Source: Placer County.

(1) Regional Connection Fees were transferred to City of Roseville for deposit into the Rate Stabilization Fund.

(2) Amounts include payments to City of Roseville for County's share of rehabilitation costs.

(3) Information provided by the City of Roseville.

(4) Operation & Maintenance Costs exclude depreciation and include both local collection system operation and maintenance costs and County's share of Regional Operation & Maintenance Costs.

(5) Removed one-time reallocation payment of \$6.2 million for deposit into the Rate Stabilization Fund.

## Unrestricted Cash Reserves

The County's current reserve balances for each of the County's Wastewater Entities are listed in the table below as of June 30, 2016.

### County's Current Reserve Balances per Wastewater Entity as of March 31, 2014

<u>County Wastewater Entity</u>	<u>Reserve Balance</u>
SMD No. 2	\$6,798,460
CSA No. 2A	1,019,148
CSA No. 173	<u>288,428</u>
Total	\$8,106,036

## Management's Discussion and Analysis.

The following discussion relates to certain items shown in the table above.

**Gross Revenues.** Gross Revenues for the County's Wastewater Entities, not including Regional Connection Fees, have remained stable in recent years, decreasing slightly from \$5.95 million in the Fiscal Year ended June 30, 2012 to \$5.77 million in the Fiscal Year ended June 30, 2016. Revenues have remained relatively static over the last five years. See "Historical Rates and Charges" above.

The decrease in Interest Revenue in Fiscal Year 2012-13 was due to cancellation of reserves for the County's contribution to the Rate Stabilization Fund and lower interest rates. The sharp increase in Local Connection Fees for Fiscal Year 2014-15 was due to a one-time payment by SMD No. 3 for connection SMD No. 2 to allow wastewater to flow from SMD No. 3 for treatment at the Dry Creek Treatment Plant.

**Operations and Maintenance Costs.** Over the last five years (Fiscal Years ending June 30, 2012 to June 30, 2016), Operations & Maintenance Costs for the County fluctuated within the range of \$2.2 million and \$3.2 million. This variance is due primarily to the amount of rehabilitation work performed in a given fiscal year.

## Outstanding Long-Term Obligations

The County's obligations under the Funding Agreement and the Reallocation and Repayment Agreement are the County's only long-term obligations payable from revenues of the County's Wastewater Utilities.

## Insurance

The County is exempt from insurance requirements of the State of California and is therefore legally uninsured. However, the County does maintain a self-insurance fund for purposes of either general liability or automobile liability claims, up to \$1,000,000 per person. The County carries excess General/Automobile Liability Insurance up to \$10,000,000 per accident. The County is also self-insured for Workers' Compensation coverage up to \$125,000 and carries Excess Workers' Compensation coverage above \$125,000 to the statutory limit.

## **Investment Policy**

The County Treasurer manages, in accordance with California Government Code Section 53600 et seq., funds deposited in the Treasury by the County, all County school districts, various special districts, including the County's Wastewater Entities and some cities within the County. State law requires that all moneys of the County, school districts and certain special districts be held in the County Treasury. The County Treasurer accepts funds only from agencies located within the County. The moneys on deposit are predominantly derived from local government revenues consisting of property taxes, state and federal funding and other fees and charges.

Moneys deposited in the County Treasury by the participants represent an undivided interest in all assets and investments in the County Treasury based upon the amount deposited and the average daily balances. All investments in the County Treasurer's investment pool are amortized and accrued monthly and are priced on a monthly basis for informational purposes. Gains and losses are recorded when they are actually realized upon sale or other disposition of an investment and adjusting entries for market value are made at year-end if necessary as required by GASB 31. Investment earnings, less actual treasury administrative cost, are distributed monthly to all pool participants on a pro-rata basis based on average daily balance.

The County's investment policy states that preservation of capital and maintenance of liquidity shall be of primary concern with earnings to be at market rates of return commensurate with minimum levels of risk. The County Treasurer maintains a reserve of cash and cash equivalents projected to be more than sufficient to meet foreseeable liquidity needs. The policy allows for the purchase of a variety of securities as specified by California Government Code Sections 53601 and 53635 with further limitations and specifications regarding market risk, maturity, credit ratings and diversification. The County's Treasury Review Panel duties include reviewing and monitoring the investment policy prior to being submitted to the Board of Supervisors by the County Treasurer. Copies of the County's investment policy can be obtained from the County Treasurer-Tax Collector, 2976 Richardson Drive, Auburn, California 95603.

## **Retirement Benefits**

All full and part-time permanent County employees and certain extra help employees who have worked over 1,000 hours in a fiscal year are eligible to participate in the California Public Employees Retirement System ("CalPERS"). The County's Safety and Miscellaneous Plans are part of the Public Agency portion of CalPERS. Elected officials may also participate at their option. Benefits vest after five years of service. To be eligible for retirement an employee must be at least 50 years of age and have five years of CalPERS credited service. Effective January 1, 2013, new CalPERS members are subject to the Public Employees' Pension Reform Act ("PEPRA") and to be eligible for retirement, an employee must be at least 52 years of age and have five years of CalPERS credited service.

Funding contributions for the County's Miscellaneous and Safety Plans are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2016, the average active employee contribution rate was 7.691% of annual pay for the Miscellaneous Plan and 8.844% for the Safety Plan. Employer contribution rates may change if plan contracts are amended. For

the fiscal year ended June 30, 2016, the employer's contribution rates for the Miscellaneous and Safety Plans were 22.964% and 30.898%, respectively. Contributions to the Miscellaneous and Safety Plans totaled \$31,166,000 and \$12,793,00, respectively, totaling \$43,959,000.

As of June 30, 2012, the most recent actuarial valuation date, the Miscellaneous Plan was 74.9% funded. The actuarial accrued liability for benefits was \$923,168,000, and the actuarial value of plan assets was \$691,246,000, resulting in an unfunded actuarial accrued liability ("UAAL") of \$231,922,000. A portion of this cost was allocable to the County's Wastewater Entities. The covered payroll (annual payroll of active employees covered by the plan) was \$133,076,000, and the ratio of the UAAL to the covered payroll was 174.3%.

### **Other Post Employment Benefits**

The County provides other post retirement healthcare benefits to its retirees under its Retiree Healthcare Plan ("OPEB Plan") in accordance with various labor agreements. The County contributes to the California Employers' Retiree Benefit Trust ("CERBT"), an agent multiple employer plan administered by CalPERS.

In accordance with California Government Code, all employees electing a CalPERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits for life. The County provides postretirement medical and dental benefits to employees who retire directly from the County after age 50 and with five years of County service and ten years of CalPERS service if hired after January 1, 2005. Eligible retirees can continue participation in the medical and dental plans, with the County contributing up to a cap, which varies by bargaining unit.

During the fiscal year ended June 30, 2016, the County contributed \$30,821,000 to the OPEB Plan, of which a portion was allocable to the County's Wastewater Entities. Of this amount, the County paid \$14,066,000 to retirees during the year and \$16,755,000 to the CERBT. The purpose of these contributions was to cover the annual required contribution ("ARC") rate of \$6,000 per employee (excluding extra help) and to prefund as determined annually.

As of June 30, 2016, the most recent valuation date, the OPEB Plan was 77.8% funded. The actuarial accrued liability for benefits was \$372,627,000, and the actuarial value of plan assets was \$289,787,000, resulting in an unfunded actuarial accrued liability ("UAAL") of \$82,840,000. The covered payroll (annual payroll of active employees covered by the plan) was \$171,160,000, and the ratio of the UAAL to the covered payroll was 48.4%.

**APPENDIX D-2**

**FINANCIAL INFORMATION CONCERNING CERTAIN OF THE COUNTY OF PLACER  
WASTEWATER ENTITIES**

[The information in this APPENDIX D-2 referring to "Sunset Whitney Sewer" relates to CSA No. 2A.]

## APPENDIX E

### GENERAL DEMOGRAPHIC INFORMATION CONCERNING THE COUNTY OF PLACER

*The following information is included only for the purpose of supplying general information regarding County of Placer (the "County"). This information is provided only for general informational purposes, and provides prospective investors limited information about the County and its economic base. The Series 2017 Bonds are not a debt of the County, the State or any of their respective political subdivisions, and none of the County, the State or any of their respective political subdivisions is liable therefor.*

#### **General and Location**

The County, which covers an estimated area of 1,500 square miles, is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter Counties on the west and by Sacramento and El Dorado Counties on the south. The County is included (along with Sacramento County and El Dorado County in the three-county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, of which four (Auburn, Lincoln, Rocklin and Roseville) have populations of 10,000 or more, with Auburn being the County seat.

#### **Organization**

The California Legislature approved the formation of the County in 1851 from portions of what were then Sutter and Yuba Counties. The County is a charter county divided into five districts on the basis of registered voters and population. The County is governed by a five member, non-partisan Board of Supervisors who serves alternate four-year terms. The Supervisors elect one of the members as chairman annually and make program and policy decisions for the County. The County Administration includes appointed and elected officials, boards, commissions, and committees that assist the Board of Supervisors in making decisions.

A wide range of services is provided by the County to its residents, including deputy sheriff and fire protection, medical and health services, education, library services, judicial institutions, a variety of public assistance programs and other programs. Additional services are provided to residents in specific areas by special districts and service or improvement areas. Some municipal services are provided to incorporated cities within the County boundaries on a contract basis. This permits cities to contract for services without incurring the cost of creating numerous city departments and facilities.

#### **Topography and Climate**

The County offers a great variety of elevations and terrain. From a minimum of 40 feet above sea level in the southwestern corner of the County near Roseville, the land rises to an elevation of 9,000 feet at the summit of the Sierra Nevada Mountains, near the County's northeastern boundary. The western portion of the County, an area of rolling foothills, provides the site for several large industrial areas and a major railroad marshaling and switching yard. To the northeast, the terrain becomes more mountainous, advancing from orchard land to high elevation timberland. The eastern side of the County, particularly the area surrounding Lake Tahoe, provides a setting for high-altitude winter sports and summer recreational activities. Over much of its length, the County is bounded by the American and Bear Rivers.

The climate in the lower elevations is generally characterized by warm summers and mild winters. The higher elevations experience the extremes of winter typical of such climates. In the more populated areas, monthly averages of daily extreme temperatures range from 39 degrees Fahrenheit minimum to 52 degrees Fahrenheit maximum in January, and 58 degrees Fahrenheit and 90 degrees Fahrenheit in July. The average annual rainfall is 36 inches, with an average annual snowfall of 216 inches in the Lake Tahoe area. Approximately 90% of average annual rainfall occurs in the six-month period extending from November to April.

## Population

The following table shows population estimates for the County and the State as of January 1 for the past five calendar years.

**PLACER COUNTY  
Population Estimates  
Calendar Years 2013 through 2017**

Year	Placer	
	County	California
2013	357,463	37,966,471
2014	366,115	38,340,074
2015	370,710	38,915,880
2016	376,203	39,189,035
2017	382,837	39,523,613

*Source: California State Department of Finance, Demographic Research Unit.*

## Effective Buying Income

Effective buying income (“**EBI**”) is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of Owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the County, the State of California and the United States.

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2012 through 2016 (the most recent year for which annual data is available).

**PLACER COUNTY**  
**Effective Buying Income**  
**As of January 1, 2012 through 2016†**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2012	Placer County	\$9,955,120	\$55,173
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	Placer County	\$9,811,843	\$56,393
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	Placer County	\$10,287,888	\$58,583
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	Placer County	\$11,729,490	\$64,480
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016†	Placer County	\$12,122,101	\$65,269
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

† Most recent annual data available.  
Source: *The Nielsen Company (US), Inc.*

## Employment and Industry

The table below provides information about employment by industry type for the County for calendar years 2012 through 2016 (the most recent year for which annual data is available).

### PLACER COUNTY Employment by Industry Annual Averages

	2012	2013	2014	2015	2016
Civilian Labor Force <sup>(1)</sup>	180,100	179,200	175,800	176,800	179,800
Employment	163,200	165,600	164,800	167,900	171,800
Unemployment	16,800	13,600	11,000	8,900	8,000
Unemployment Rate	9.3%	7.6%	6.3%	5.0%	4.4%
<u>Wage and Salary Employment <sup>(2)</sup></u>					
Agriculture	300	400	300	300	300
Natural Resources and Mining	0	0	0	0	0
Construction	8,600	9,700	10,500	12,200	13,900
Manufacturing	6,300	6,200	6,200	6,500	6,600
Wholesale Trade	4,100	4,100	4,000	4,200	4,200
Retail Trade	20,500	21,400	22,400	22,200	22,400
Transportation, Warehousing and Utilities	2,900	3,100	3,200	3,400	3,700
Information	2,300	2,200	2,200	2,600	2,500
Finance and Insurance	7,700	8,300	8,200	8,300	8,700
Real Estate and Rental and Leasing	2,600	2,900	3,100	3,200	3,500
Professional and Business Services	13,900	15,000	16,800	18,600	19,800
Educational and Health Services	21,400	23,000	24,100	24,700	26,200
Leisure and Hospitality	19,000	20,000	20,300	20,500	22,100
Other Services	5,100	5,500	5,700	6,000	5,900
Federal Government	700	700	700	700	700
State Government	700	800	900	900	900
Local Government	17,200	17,700	17,700	18,200	18,700
Total, All Industries <sup>(3)</sup>	133,500	140,700	146,400	152,300	160,000

† Most recent annual data available.

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Figures may not total due to rounding.

Source: State of California Employment Development Department.

## Major Employers

The table below lists the largest employers in the County as of July 2017.

### PLACER COUNTY Major Employers As of July 2017

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
Adventist Health	Roseville	Health Services
Alpine Meadows	Alpine Meadows	Resorts
Consolidated Communications	Roseville	Communications
County Jail	Tahoe City	Government Offices-County
Golfland Sunsplash	Roseville	Water Parks
Hewlett-Packard	Roseville	Computer & Equipment Dealers
Kaiser Permanente Roseville	Roseville	Hospitals
Kw Commercial	Roseville	Real Estate
Northstar California	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County of Education	Auburn	Schools
Placer County Sheriff	Auburn	Government Offices-County
PRIDE Industries	Roseville	Employment Agencies & Opportunities
Resort At Squaw Creek	Alpine Meadows	Resorts
Ritz-Carlton Club Lake Tahoe	Truckee	Hotels & Motels
Ritz-Carlton Lake Tahoe	Truckee	Hotels & Motels
Sheriff's Training	Auburn	Government Offices-County
Sugar Bowl Ski Area Group Sls	Norden	Skiing Centers & Resorts
Sutter Auburn Faith Hospital	Auburn	Hospitals
Sutter Roseville Medical Ctr	Roseville	Hospitals
TASQ Technology	Roseville	Importers (whls)
Thunder Valley Casino & Resort	Lincoln	Casinos
UNFI Western Region Div	Rocklin	Food Products (whls)
Village Lodge-Sugar Bowl	Norden	Hotels & Motels

*Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database 2017 2nd Edition*

## Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first quarter of calendar year 2016 in the County were reported to be \$2,032,969,000, an 2.22% increase under the total taxable sales of \$1,988,863,000 reported during the first quarter of calendar year 2015. Annual data for calendar year 2016 is not yet available.

**PLACER COUNTY**  
**Taxable Transactions**  
**Calendar Years 2011 through 2015<sup>†</sup>**  
**(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2011	7,803	\$5,112,781	11,120	\$6,568,195
2012	8,272	5,613,981	11,621	7,065,597
2013	8,487	6,050,198	11,713	7,724,406
2014	8,520	6,296,076	11,749	8,100,167
2015 <sup>(1)</sup>	4,446	6,594,126	13,124	8,675,315

† Most recent annual data available.

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax)*.

## Construction Activity

The following table shows a five-year summary of the valuation of building permits issued in the County.

**PLACER COUNTY**  
**Building Permit Valuation**  
**Calendar Years 2012 through 2016**  
**(Valuation in Thousands of Dollars)**

	2012	2013	2014	2015	2016
<u>Permit Valuation</u>					
New Single-family	\$431,611.6	\$378,286.0	\$523,638.2	\$683,806.3	\$776,410.8
New Multi-family	11,368.0	7,078.5	48,645.5	21,702.2	42,395.7
Res. Alterations/Additions	<u>35,481.3</u>	<u>50,358.2</u>	<u>59,428.5</u>	<u>82,577.5</u>	<u>79,543.6</u>
Total Residential	\$478,460.9	\$435,722.7	\$631,712.2	\$788,086.0	\$898,350.1
New Commercial	\$44,303.0	\$70,876.0	\$43,477.7	\$88,675.3	\$84,953.2
New Industrial	164.0	1,092.0	199.9	1,339.6	535.1
New Other	414.5	25,673.5	39,025.6	56,433.7	90,958.7
Com. Alterations/Additions	<u>55,512.0</u>	<u>73,037.0</u>	<u>101,977.7</u>	<u>80,457.5</u>	<u>64,524.2</u>
Total Nonresidential	\$100,393.5	\$170,678.5	\$184,680.9	\$226,906.1	\$240,971.2
<u>New Dwelling Units</u>					
Single Family	1,209	1,249	1,620	1,994	2,102
Multiple Family	<u>111</u>	<u>227</u>	<u>376</u>	<u>240</u>	<u>322</u>
TOTAL	1,320	1,476	1,996	2,234	2,424

Source: California Homebuilding Foundation Construction Industry Research Board, Building Permit Summary.

## Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in Roseville, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in Roseville, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport is located 17 miles west of Roseville via I-80 and I-5. Served by ten major carriers and several commuter airlines, as well as air-freight carriers, Metro handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length.

Lincoln Municipal Airport is located nine miles north of Roseville and offers fueling and maintenance services to private aircraft. Lincoln Municipal has an elevation of 119 feet and a 6,000-foot runway. Corporate aviation and fixed based operations from Lincoln Municipal provide daily service to the San Francisco Bay area.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

The Port of Sacramento is located approximately 38 miles from the City of Roseville. The Port handles ocean-going freighters via San Francisco Bay. Warehouses and conveyor systems are equipped with vacuum dust collectors, permitting rapid loading of ordinary dusty commodities without environmental pollution.

## APPENDIX F

### BOOK-ENTRY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Series 2017 Bonds, payment of principal, interest and other payments on the Series 2017 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Series 2017 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Series 2017 Bonds (the “**Issuer**”) nor the trustee, fiscal agent or paying agent appointed with respect to the Series 2017 Bonds (the “**Agent**”) take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2017 Bonds (in this appendix, the “**Bonds**”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers,

banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX G**

**SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS**

**APPENDIX H**  
**FORM OF BOND COUNSEL OPINION**

## APPENDIX I

### FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS FOR THE SERIES 2017 BONDS

#### CONTINUING DISCLOSURE AGREEMENT – SOUTH PLACER WASTEWATER AUTHORITY

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the South Placer Wastewater Authority (the "Authority"), a joint powers authority duly organized and existing under the laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent (the "Dissemination Agent"), in connection with the issuance by the Authority of its \$\_\_\_\_\_ Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds (the "Bonds"). The Bonds are being issued pursuant to a Wastewater Revenue Bond Indenture, dated as of April 1, 2011 (the "Master Indenture"), as previously supplemented and as supplemented by a Sixth Supplemental Wastewater Revenue Bond Indenture, dated as of September 1, 2017 (the "Sixth Supplemental Indenture" and, collectively with the Master Indenture and the previous supplements, the "Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem all or a portion of the Authority's Wastewater Revenue Refunding Bonds, Series 2011C and all of the Authority's Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) finance a termination payment related to the Existing Swap Agreement, (iv) fund a deposit to the Parity Reserve Fund, (v) and to pay costs of issuance related thereto. The Bonds are secured by and payable from payments from the County of Placer, the City of Roseville and the South Placer Municipal Utility District (collectively, the "Participants") pursuant to an Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012 (the "Funding Agreement"), among the Authority and the Participants. In furtherance of Section 6.16 of the Indenture, the Authority covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture or the Funding Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms will have the following meanings:

"Annual Report" will mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" will mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" will mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority pursuant to Section 7 of this Disclosure Agreement.

"Holder" will mean the person in whose name any Bond will be registered.

"Listed Events" will mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

"MSRB" will mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

"Participating Underwriter" will mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" will mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The Authority will, or will cause the Dissemination Agent to, not later than 210 days following the end of its Fiscal Year (which Fiscal Year as of the date hereof ends June 30), commencing with the report for the Fiscal Year ending June 30, 2017, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, however, that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's Fiscal Year changes, it will give notice of such change in a filing with the MSRB. The Annual Report will be submitted on a standard form in use by industry participants or other appropriate form and will identify the Bonds by name and CUSIP number.

(b) Not later than fifteen (15) business days prior to said date, the Authority will provide the Annual Report to the Dissemination Agent. If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority will, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent will file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Authority's Annual Report will contain or include by reference the following:

(a) The audited financial statement of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the audited financial statement of the Authority is

not available by the time the Annual Report is required to be filed pursuant to Section 3, the Annual Report will contain an unaudited financial statement in a format similar to the financial statement contained in the final Official Statement relating to the Bonds (the "Official Statement"), and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(b) To the extent not provided in the audited financial statement of the Authority required in subsection (a) above, an update of the following information contained in the Official Statement:

1. The balance in each Participant's account in the Rate Stabilization Fund as of the end of the immediately preceding Fiscal Year;
2. The amount of Regional Connection Fees collected during the immediately preceding Fiscal Year;
3. The remaining available capacity of the Regional Wastewater System (as defined in the Official Statement) as of the end of the immediately preceding Fiscal Year; and
4. The Proportionate Share for each Participant.

Any or all of the items above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been made available to the public on the MSRB's website. The Authority will clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The Authority will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender Offers;
7. Defeasances;

8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar events of the obligated person.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Authority will determine if such event would be material under applicable federal securities laws.

(d) If the Authority learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(a) would be

material under applicable federal securities laws, the Authority will, or will cause the Dissemination Agent, within ten (10) business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture. The Dissemination Agent will have no responsibility to determine the materiality of any of the Listed Events.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Authority's and the Dissemination Agent's obligations under this Disclosure Agreement will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority will give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days written notice to the Authority. If at any time there is not any other designated Dissemination Agent, the Authority will be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Authority which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority will describe such amendment in the next Annual Report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or

operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement will be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Authority will have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement will be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent will be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) will have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this Section will survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent will be paid compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Authority from time to time. The Dissemination Agent will have no duty or obligation to review any information provided to it by the Authority or hereunder and will not be deemed to be acting in any fiduciary capacity for the Authority, the Holders, Beneficial Owners or any other party.

Section 13. Beneficiaries. This Disclosure Agreement will inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and will create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Dated: \_\_\_\_\_, 2017

SOUTH PLACER WASTEWATER  
AUTHORITY

By \_\_\_\_\_  
Treasurer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Dissemination  
Agent

By \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: South Placer Wastewater Authority

Name of Bond Issue: South Placer Wastewater Authority Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds

Name of the Obligated Persons: South Placer Wastewater Authority, County of Placer, City of Roseville and South Placer Municipal Utility District

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the South Placer Wastewater Authority has not provided an Annual Report with respect to the above-named Bond Issue as required by Section 6.16 of the Indenture, dated as of April 1, 2011, as supplemented, between the Authority and The Bank of New York Mellon Trust Company, N.A. and by Section 13(o) of the Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, between each of the Obligated Persons listed above. The South Placer Wastewater Authority anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

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**CONTINUING DISCLOSURE AGREEMENT –  
COUNTY OF PLACER**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the County of Placer (the “County”), a political subdivision duly organized and existing under the laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance by the South Placer Wastewater Authority (the “Authority”) of its of its \$ \_\_\_\_\_ Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds (the “Bonds”). The Bonds are being issued pursuant to a Wastewater Revenue Bond Indenture, dated as of April 1, 2011 (the “Master Indenture”), as previously supplemented and as supplemented by a Sixth Supplemental Wastewater Revenue Bond Indenture, dated as of September 1, 2017 (the “Sixth Supplemental Indenture” and, collectively with the Master Indenture and the previous supplements, the “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem all or a portion of the Authority’s Wastewater Revenue Refunding Bonds, Series 2011C and all of the Authority’s Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) finance a termination payment related to the Existing Swap Agreement, (iv) fund a deposit to the Parity Reserve Fund, (v) and to pay costs of issuance related thereto. The Bonds are secured by and payable from payments from the County, the City of Roseville and the South Placer Municipal Utility District (collectively, the “Participants”) pursuant to an Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012 (the “Funding Agreement”), among the Authority and the Participants. In furtherance of Section 6.16 of the Indenture, the County covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (defined below).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture or the Funding Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms will have the following meanings:

“Annual Report” will mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” will mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” will mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County pursuant to Section 7 of this Disclosure Agreement.

“Holder” will mean the person in whose name any Bond will be registered.

"Listed Events" will mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

"MSRB" will mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

"Participating Underwriter" will mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" will mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The County will, or will cause the Dissemination Agent to, not later than 210 days following the end of its Fiscal Year (which Fiscal Year as of the date hereof ends June 30), commencing with the report for the Fiscal Year ending June 30, 2017, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, however, that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County's Fiscal Year changes, it will give notice of such change in a filing with the MSRB. The Annual Report will be submitted on a standard form in use by industry participants or other appropriate form and will identify the Bonds by name and CUSIP number.

(b) Not later than fifteen (15) business days prior to said date, the County will provide the Annual Report to the Dissemination Agent. If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County will, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent will file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The County's Annual Report will contain or include by reference the following:

(a) The audited financial statement of the County for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the audited financial statement of the County is not available by the time the Annual Report is required to be filed pursuant to Section 3, the Annual Report will contain an unaudited financial statement in a format similar to the financial statement contained in the final Official Statement relating to the Bonds (the "Official Statement"), and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(b) To the extent not provided in the audited financial statement of the County required in subsection (a) above, an update as of the end of the immediately preceding Fiscal Year of the following information contained in APPENDIX D-1 to the Official Statement:

1. Tables entitled "County's Wastewater Entities Number of Equivalent Dwelling Units by Class of User," "County's Wastewater Entities Number of Connections by Class of User," "County's Wastewater Entities Revenues by Class of User" and "Five Largest Users";

2. A summary of the historical results of the information contained in the table entitled "Combined Enterprise Funds for County's Wastewater Entities Summary of Historical Results" for the immediately preceding Fiscal Year;

3. Service charges, connection charges and the amount of uncollected delinquencies; and

4. Participant Net Revenue and Rate Covenant Debt Service.

Any or all of the items above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been made available to the public on the MSRB's website. The County will clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The County will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender Offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar events of the obligated person.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The County will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the County obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the County will determine if such event would be material under applicable federal securities laws.

(d) If the County learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(a) would be material under applicable federal securities laws, the County will, or will cause the Dissemination Agent, within ten (10) business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice

(if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture. The Dissemination Agent will have no responsibility to determine the materiality of any of the Listed Events.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The County's and the Dissemination Agent's obligations under this Disclosure Agreement will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County will give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days written notice to the County. If at any time there is not any other designated Dissemination Agent, the County will be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the County which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County will describe such amendment in the next Annual Report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form)

between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement will be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the County will have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement will be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent will be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) will have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section will survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent will be paid compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the County from time to time. The Dissemination Agent will have no duty or obligation to review any information provided to it by the County or hereunder and will not be deemed to be acting in any fiduciary capacity for the County, the Holders, Beneficial Owners or any other party.

Section 13. Beneficiaries. This Disclosure Agreement will inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and will create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Dated: \_\_\_\_\_, 2017

COUNTY OF PLACER

By: \_\_\_\_\_  
Director of Facility Services

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: South Placer Wastewater Authority

Name of Bond Issue: South Placer Wastewater Authority Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds

Name of the Obligated Persons: South Placer Wastewater Authority, County of Placer, City of Roseville and South Placer Municipal Utility District

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the County of Placer has not provided an Annual Report with respect to the above-named Bond Issue as required by Section 13(o) of the Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, between each of the Obligated Persons listed above. The County of Placer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

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cc: South Placer Wastewater Authority

## **CONTINUING DISCLOSURE AGREEMENT – SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the South Placer Municipal Utility District (the “District”), a municipal utility district duly organized and existing under the laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance by the South Placer Wastewater Authority (the “Authority”) of its \$\_\_\_\_\_ Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds (the “Bonds”). The Bonds are being issued pursuant to a Wastewater Revenue Bond Indenture, dated as of April 1, 2011 (the “Master Indenture”), as previously supplemented and as supplemented by a Sixth Supplemental Wastewater Revenue Bond Indenture, dated as of September 1, 2017 (the “Sixth Supplemental Indenture” and, collectively with the Master Indenture and the previous supplements, the “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem all or a portion of the Authority’s Wastewater Revenue Refunding Bonds, Series 2011C and all of the Authority’s Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) finance a termination payment related to the Existing Swap Agreement, (iv) fund a deposit to the Parity Reserve Fund, (v) and to pay costs of issuance related thereto. The Bonds are secured by and payable from payments from the District, the County of Placer and the City of Roseville (collectively, the “Participants”) pursuant to an Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012 (the “Funding Agreement”), among the Authority and the Participants. In furtherance of Section 6.16 of the Indenture, the District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (defined below).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture or the Funding Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms will have the following meanings:

“Annual Report” will mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” will mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” will mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 7 of this Disclosure Agreement.

“Holder” will mean the person in whose name any Bond will be registered.

“Listed Events” will mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“MSRB” will mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” will mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” will mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The District will, or will cause the Dissemination Agent to, not later than 210 days following the end of its Fiscal Year (which Fiscal Year as of the date hereof ends June 30), commencing with the report for the Fiscal Year ending June 30, 2017, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's Fiscal Year changes, it will give notice of such change in a filing with the MSRB. The Annual Report will be submitted on a standard form in use by industry participants or other appropriate form and will identify the Bonds by name and CUSIP number.

(b) Not later than fifteen (15) business days prior to said date, the District will provide the Annual Report to the Dissemination Agent. If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District will, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent will file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The District's Annual Report will contain or include by reference the following:

(a) The audited financial statement of the District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the audited financial statement of the District is not available by the time the Annual Report is required to be filed pursuant to Section 3, the Annual Report will contain an unaudited financial statement in a format similar to the financial statement contained in the final Official Statement relating to the Bonds (the “Official Statement”), and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(b) To the extent not provided in the audited financial statement of the District required in subsection (a) above, an update of the following information contained in APPENDIX C-1 the Official Statement:

1. Tables entitled "South Placer Municipal Utility District Number of Equivalent Dwelling Units and Connections by Class of User," "South Placer Municipal Utility District Wastewater Service Charge Revenue by Class of User" and "South Placer Municipal Utility District Five Largest Users";

2. A summary of the historical results of the information contained in the table entitled "South Placer Municipal Utility District Summary of Historical Operating Results" for the immediately preceding Fiscal Year;

3. Service charges, connection charges and the amount of uncollected delinquencies; and

4. Participant Net Revenues and Rate Covenant Debt Service.

Any or all of the items above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District will clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The District will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender Offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar events of the obligated person.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in

possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District will determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(a) would be material under applicable federal securities laws, the District will, or will cause the Dissemination Agent, within ten (10) business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture. The Dissemination Agent will have no responsibility to determine the materiality of any of the Listed Events.

**SECTION 6. Format for Filings with MSRB.** Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

**SECTION 7. Termination of Reporting Obligation.** The District's and the Dissemination Agent's obligations under this Disclosure Agreement will terminate upon the legal defeasance, prior

redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District will give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days written notice to the District. If at any time there is not any other designated Dissemination Agent, the District will be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the District which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District will describe such amendment in the next Annual Report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the District will have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement will be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent will be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) will have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section will survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent will be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the District from time to time. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District or hereunder and will not be deemed to be acting in any fiduciary capacity for the District, the Holders, Beneficial Owners or any other party.

Section 13. Beneficiaries. This Disclosure Agreement will inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and will create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Dated: \_\_\_\_\_, 2017.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_  
General Manager

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: South Placer Wastewater Authority

Name of Bond Issue: South Placer Wastewater Authority Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds

Name of the Obligated Persons: South Placer Wastewater Authority, County of Placer, City of Roseville and South Placer Municipal Utility District

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the South Placer Municipal Utility District has not provided an Annual Report with respect to the above-named Bond Issue as required by Section 13(o) of the Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, between each of the Obligated Persons listed above. The South Placer Municipal Utility District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

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cc: South Placer Wastewater Authority

**CONTINUING DISCLOSURE AGREEMENT –  
CITY OF ROSEVILLE**

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the City of Roseville (the “City”), a charter city duly organized and existing under the laws of the State of California, and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent (the “Dissemination Agent”), in connection with the issuance by the South Placer Wastewater Authority (the “Authority”) of its \$\_\_\_\_\_ Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds (the “Bonds”). The Bonds are being issued pursuant to a Wastewater Revenue Bond Indenture, dated as of April 1, 2011 (the “Master Indenture”), as previously supplemented and as supplemented by a Sixth Supplemental Wastewater Revenue Bond Indenture, dated as of September 1, 2017 (the “Sixth Supplemental Indenture” and, collectively with the Master Indenture and the previous supplements, the “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem all or a portion of the Authority’s Wastewater Revenue Refunding Bonds, Series 2011C and all of the Authority’s Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) finance a termination payment related to the Existing Swap Agreement, (iv) fund a deposit to the Parity Reserve Fund, (v) and to pay costs of issuance related thereto. The Bonds are secured by and payable from payments from the City, the County of Placer and the South Placer Municipal Utility District (collectively, the “Participants”) pursuant to an Amended and restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012 (the “Funding Agreement”), among the Authority and the Participants. In furtherance of Section 6.16 of the Indenture, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or the Funding Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms will have the following meanings:

“Annual Report” will mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” will mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” will mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City pursuant to Section 7 of this Disclosure Agreement.

“Holder” will mean the person in whose name any Bond will be registered.

"Listed Events" will mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

"MSRB" will mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

"Participating Underwriter" will mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" will mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The City will, or will cause the Dissemination Agent to, not later than 210 days following the end of its Fiscal Year (which Fiscal Year as of the date hereof ends June 30), commencing with the report for the Fiscal Year ending June 30, 2017, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, however, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it will give notice of such change in a filing with the MSRB. The Annual Report will be submitted on a standard form in use by industry participants or other appropriate form and will identify the Bonds by name and CUSIP number.

(b) Not later than fifteen (15) business days prior to said date, the City will provide the Annual Report to the Dissemination Agent. If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City will, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent will file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The City's Annual Report will contain or include by reference the following:

(a) The audited financial statement of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Government Accounting Standards Board. If the audited financial statement of the City is not available by the time the Annual Report is required to be filed pursuant to Section 3, the Annual Report will contain an unaudited financial statement in a format similar to the financial statement contained in the final Official Statement relating to the Bonds (the "Official Statement"), and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

(b) To the extent not provided in the audited financial statement of the City required in subsection (a) above, an update of the following information contained in APPENDIX B-1 to the Official Statement:

1. Tables entitled "Roseville Wastewater Utility Number of Dwelling Unit Equivalents and Connections by Class of User," "Roseville Wastewater Utility User Charge Revenues by Class of User" and "Roseville Wastewater Utility Five Largest Users";
2. A summary of the historical results of the information contained in the table entitled "City of Roseville Wastewater Utility Fund Summary of Historical Operating Results" for the immediately preceding Fiscal Year;
3. Service charges, connection charges and the amount of uncollected delinquencies; and
4. Participant Net Revenue and Rate Covenant Debt Service.

Any or all of the items above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been made available to the public on the MSRB's website. The City will clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) The City will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender Offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar events of the obligated person.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City will give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City will determine if such event would be material under applicable federal securities laws.

(d) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(a) would be material under applicable federal securities laws, the City will, or will cause the Dissemination Agent, within ten (10) business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying

event is given to Holders of affected Bonds pursuant to the Indenture. The Dissemination Agent will have no responsibility to determine the materiality of any of the Listed Events.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's and the Dissemination Agent's obligations under this Disclosure Agreement will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City will give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty (30) days written notice to the City. If at any time there is not any other designated Dissemination Agent, the City will be the Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the City which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City will describe such amendment in the next Annual Report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement will be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the City will have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement will be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent will be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) will have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section will survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent will be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the City from time to time. The Dissemination Agent will have no duty or obligation to review any information provided to it by the City or hereunder and will not be deemed to be acting in any fiduciary capacity for the City, the Holders, Beneficial Owners or any other party.

Section 13. Beneficiaries. This Disclosure Agreement will inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and will create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Dated: \_\_\_\_\_, 2017

CITY OF ROSEVILLE

By \_\_\_\_\_  
Chief Financial Officer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Dissemination  
Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: South Placer Wastewater Authority

Name of Bond Issue: South Placer Wastewater Authority Wastewater Revenue Bonds, Series 2017 Wastewater Revenue Bonds

Name of the Obligated Persons: South Placer Wastewater Authority, County of Placer, City of Roseville and South Placer Municipal Utility District

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the City of Roseville has not provided an Annual Report with respect to the above-named Bond Issue as required by Section 13(o) of the Amended and Restated Funding Agreement Relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, between each of the Obligated Persons listed above. The City of Roseville anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Dissemination Agent

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cc: South Placer Wastewater Authority

## AUTHORITY COMMUNICATION

**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** August 9, 2017

**FROM:** Executive Director's office

**AUTHORITY COMMUNICATION NO.:** 17-25

**SUBJECT: Clean Water State Revolving Fund Loan Application for the Pleasant Grove Wastewater Treatment Plant Expansion and the Energy Recovery Project**

*For SPWA Board Meeting 8/17/17*

### ACTION REQUESTED

Approve the first attached resolution that would authorize the City of Roseville to individually apply for Clean Water State Revolving Fund (SRF) funding on behalf of the SPWA in connection with its Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project (the "Project"). This resolution also authorizes the Executive Director to enter into an agreement with the City to reimburse the City for amounts paid in connection with the SRF funding.

Approve four (4) additional resolutions authorizing the Executive Director to obtain the SRF funding on behalf of SPWA if the City does not obtain such funding for any reason.

### BACKGROUND

As discussed in previous SPWA Board meetings, Staff are working to secure at least \$25 million in State Water Quality Control Board (SWQCB) SRF funds as part of the funding package for the Project. At present, the City of Roseville is considering obtaining the SRF funding on behalf of the SPWA. Given the SPWA Board's limited meeting schedule, this option is being considered in order to conduct routine business in a timely fashion without calling special SPWA Board Meetings. The first attached resolution would authorize the Executive Director to enter into an agreement with the City to reimburse the City for amounts paid in connection with the SRF funding.

If the City of Roseville does not obtain SRF funding on behalf of the SPWA for any reason, Staff recommends that the SPWA obtain such funding directly. Board approval of the attached four (4) additional resolutions is required as part of the SRF loan application process. These are all standard resolutions that must be approved and submitted with every SRF application submitted to the SWQCB.

Below is a summary of the individual resolutions:

- **Reimbursement Resolution (Resolution 2017-11):** This resolution will certify that the SPWA may utilize a portion of its funds for advance payments towards the construction of the Project and upon receipt of funding from the SRF loan program, the funds will be applied solely towards reimbursement of the SPWA funds that served as an advance for funding portions of the Project.

- **Authorizing Resolution (Resolution 2017-12):** This resolution authorizes the Executive Director to sign and deliver a Financial Assistance Application, as well as provide the assurances, certifications and commitments required, including executing and delivering a financial assistance agreement from the SWQCB.
- **Pledged Revenues and Fund(s) Resolution (Resolution 2017-13):** This resolution pledges specific revenue streams towards the loan repayment obligation for the duration of the financing agreement. In the case of SPWA, repayment would be accomplished using connection fees collected by all partners that make up the Rate Stabilization Fund (RSF) on a parity basis with SPWA's pledge of the same revenue stream for payment of bonds outstanding.
- **Contingent Authorizing Resolution (Resolution 2017-14):** This resolution authorizes the Executive Director to deliver the foregoing resolutions to the SWQCB and to take all additional actions necessary to secure the SRF funding on behalf of SPWA, if the City of Roseville does not obtain the SRF funding for any reason.

Submitted by:



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Kenneth J. Glotzbach  
Executive Director

Attachments: Resolutions 2017-10, 2017-11, 2017-12, 2017-13, 2017-14

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2017-10**

**APPROVAL OF REIMBURSEMENT AGREEMENT WITH THE CITY OF  
ROSEVILLE IN CONNECTION WITH  
CLEAN WATER STATE REVOLVING FUND (SRF) FUNDING**

**WHEREAS**, the City of Roseville (the "City"), together with the County of Placer (the "County") and the South Placer Municipal Utility District (the "District," and collectively the "Participants"), have formed a joint powers agency, known as the South Placer Wastewater Authority (the "Authority") for the purpose of jointly financing the Pleasant Grove Wastewater Treatment Plant, improvements to the Dry Creek Wastewater Treatment Plant, and other Related Regional Infrastructure (as defined in that certain Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, among the Authority and the Participants), including to issue bonds and obtain other financing for such purpose; and

**WHEREAS**, the Authority intends to issue bonds and apply for Clean Water State Revolving Fund funding (the "SRF Funding") in connection with its Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project (the "Project"); and

**WHEREAS**, the City proposes to obtain said SRF funding on behalf of the Authority;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the South Placer Wastewater Authority as follows:

**Section 1. SRF Funding through the City of Roseville.** The Board hereby approves the City of Roseville's application for SRF funding on behalf of the Authority in the maximum principal amount of \$118,311,668.

**Section 2. Reimbursement Agreement with the City of Roseville.** The Board hereby authorizes the Executive Director or his designee, on behalf of the Authority, to execute and deliver an agreement with the City to reimburse the City for all sums expended in connection with the SRF Funding. Said agreement shall be in a form approved by the Executive Director and the Authority's general counsel.

**Section 3. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \*

PASSED AND ADOPTED this 17<sup>th</sup> day of August, 2017, by the following vote:

AYES:

NOES:

ABSENT:

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Chairperson

ATTEST:

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Secretary

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2017-11**

**REIMBURSEMENT RESOLUTION**

WHEREAS, the South Placer Wastewater Authority (the “Agency”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the “Project”); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys (“Project Funds”) provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$118,311,668.00.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

\* \* \* \* \*

PASSED AND ADOPTED this 17<sup>th</sup> day of August, 2017, by the following vote on roll call:

AYES:

NOES:

ABSENT:

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Chairperson

ATTEST:

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Secretary

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2017-12**

**AUTHORIZING RESOLUTION**

WHEREAS, the City of Roseville, together with the County of Placer and the South Placer Municipal Utility District (collectively, the "Participants"), have formed a joint powers agency, known as the South Placer Wastewater Authority (the "Entity") for the purpose of jointly financing the Pleasant Grove Wastewater Treatment Plant, improvements to the Dry Creek Wastewater Treatment Plant, and other Related Regional Infrastructure (as defined in that certain Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, among the Authority and the Participants), including to issue bonds and obtain other financing for such purpose; and

WHEREAS, the Entity intends to issue bonds and apply for Clean Water State Revolving Fund funding in connection with its Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project 8215-110 (the "Project");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH PLACER WASTEWATER AUTHORITY (the "Entity"), AS FOLLOWS:

The Executive Director (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Project.

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

\* \* \* \* \*

**PASSED AND ADOPTED** this 17<sup>th</sup> day of August, 2017, by the following vote on roll call:

**AYES:**

**NOES:**

**ABSENT:**

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**Chairperson**

**ATTEST:**

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**Secretary**

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2017-13**

**PLEGGED REVENUES AND FUND(s) RESOLUTION**

WHEREAS, the City of Roseville, together with the County of Placer and the South Placer Municipal Utility District (collectively the "Participants"), have formed a joint powers agency, known as the South Placer Wastewater Authority (the "Entity") for the purpose of jointly financing the Pleasant Grove Wastewater Treatment Plant, improvements to the Dry Creek Wastewater Treatment Plant, and other Related Regional Infrastructure (defined in the Funding Agreement), including to issue bonds and obtain other financing for such purpose; and

WHEREAS, that certain Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, among the Entity and the Participants (the "Funding Agreement") requires all Participants to deposit Regional Connection Fees (defined in the Funding Agreement) into a Rate Stabilization Fund (defined in the Funding Agreement) held by the Entity; and

WHEREAS, the Entity intends to issue bonds and apply for Clean Water State Revolving Fund funding in connection with its Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project 8215-110 (the "Project");

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the South Placer Wastewater Authority (the "Entity") hereby dedicates and pledges, on a parity basis with the Entity's pledge of the same revenue(s) and fund(s) for payment of bonds outstanding, the Rate Stabilization Fund and all Regional Connection Fees received from the Participants to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Project. The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

\* \* \* \* \*

PASSED AND ADOPTED this 17<sup>th</sup> day of August, 2017, by the following vote on roll call:

AYES:

NOES:

ABSENT:

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Chairperson

ATTEST:

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Secretary

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2017-14**

**CONTINGENT AUTHORIZING RESOLUTION  
IN CONNECTION WITH  
CLEAN WATER STATE REVOLVING FUND (SRF) FUNDING**

**WHEREAS**, the City of Roseville (the "City"), together with the County of Placer (the "County") and the South Placer Municipal Utility District (the "District," and collectively the "Participants"), have formed a joint powers agency, known as the South Placer Wastewater Authority (the "Authority") for the purpose of jointly financing the Pleasant Grove Wastewater Treatment Plant, improvements to the Dry Creek Wastewater Treatment Plant, and other Related Regional Infrastructure (as defined in that certain Amended and Restated Funding Agreement relating to the South Placer Regional Wastewater Facilities, dated as of October 1, 2012, among the Authority and the Participants), including to issue bonds and obtain other financing for such purpose; and

**WHEREAS**, the Authority intends to issue bonds and apply for Clean Water State Revolving Fund funding (the "SRF Funding") in connection with its Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Project 8215-110 (the "Project"); and

**WHEREAS**, the Board has previously approved the California State Water Quality Control Board's Reimbursement Resolution, Authorizing Resolution, and Pledged Revenues and Fund Resolution (collectively, the "SRF Funding Resolutions"), whereby the Authority may apply for SRF Funding for the Project; and

**WHEREAS**, the City proposes to obtain said SRF funding on behalf of the Authority;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the South Placer Wastewater Authority as follows:

**Section 1. Contingent Authorization to Obtain SRF Funding on Behalf of the Authority.** If the City of Roseville does not obtain SRF Funding on behalf of the Authority for any reason, the Board hereby authorizes the Executive Director or his designee, on behalf of the Authority, to deliver the SRF Funding Resolutions to the California State Water Quality Control Board, and to execute and deliver any and all agreements, and take any and all other actions, which he may deem necessary or advisable to obtain SRF Funding directly for the Authority.

**Section 3. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \*

PASSED AND ADOPTED this 17<sup>th</sup> day of August, 2017, by the following vote:

AYES:

NOES:

ABSENT:

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Chairperson

ATTEST:

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Secretary

New Business  
Agenda item #5

Information:

Information on Pleasant Grove  
Wastewater Treatment Plant Energy  
Improvements

(Adam Ross)