



South Placer Wastewater Authority Board Meeting

February 4, 2026



SPWA REGULAR MEETING AGENDA

In accordance with the requirements of California Government Code section 54950 *et seq.*, notice is hereby given of the regular meeting of the Board of Directors of the South Placer Wastewater Authority at the following time and location:

Wednesday, February 4, 2026

10:00 a.m.

City of Roseville

316 Vernon Street

Solar Conference Room

AGENDA

CALL TO ORDER

ROLL CALL Directors: Karen Alvord (City of Roseville)
Anthony DeMattei (Placer County – Vice Chair)
William Dickinson (SPMUD)
Bonnie Gore (Placer County)
Pauline Roccucci (City of Roseville – Chair)

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

ELECTION OF CHAIR AND VICE CHAIR

Motion: Election of Chair and Vice-Chair for 2026

APPROVAL OF MINUTES

Approval: Approval of the November 13, 2025, SPWA Board Meeting Minutes

CONSENT CALENDAR

Receive and File Items:

- a. Information: Investment Review (*Teri*)
- b. Information: Debt Review (*Brett*)
- c. Information: SPWA Annual Financial Statements FY24-25 (*Teri*)
- d. Information: Connection Fee Program Report (*Archana*)
- e. Information: Projects Update and Financial Summary (*Tracie*)
- f. Resolution: Modify the Authority's Service Area Boundary (*Tracie*)

PRESENTATIONS

1. Information: Facilitated Panel Discussion (*Sean*)
Partner Agencies to Discuss Adequacy of CASA Flows and Loads Study to
Inform Future Decisions
*Panel Consists of Robin Mahoney (Placer County), Eric Nielson (SPMUD) and
Arashdeep Singh (City of Roseville)*

REPORTS/COMMENTS – BOARD MEMBERS/STAFF

ADJOURNMENT

Note: The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Recording Secretary to all or a majority of the SPWA Board less than 72 hours prior to that meeting are available for public inspection during normal business hours at the City of Roseville Corporation Yard, 2005 Hilltop Circle, Roseville California 95747.

The meeting is accessible to the disabled. In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Voice:(916) 774-5770, TDD: (916) 774-5220. Requests must be made as early as possible.

ELECTION OF
CHAIR AND VICE CHAIR



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 26, 2026
Board of Directors

FROM: Executive Director's Office

AUTHORITY COMMUNICATION NO.: AC 26-08

SUBJECT: Election of Chairperson and Vice-Chairperson

For SPWA Board Meeting February 4, 2026

ACTION REQUESTED

Staff requests the Board elect a new Chairperson and Vice-Chairperson at this meeting.

BACKGROUND

The current Board Chairperson and Vice-Chairperson were elected at the South Placer Wastewater Authority's regular meeting on January 30, 2025. Section 3.5 of the Bylaws state that the Chairperson and Vice-Chairperson shall serve for a 1-year term or until a new Chairperson and Vice-Chairperson are appointed. Customarily the Board annually appoints a new Chairperson and Vice-Chairperson at its first meeting of the year.

Submitted by:

A handwritten signature in black ink that reads "S. Bigley".

Sean Bigley
Executive Director

MINUTES

Karen Alvord – City of Roseville
Anthony DeMattei – Placer County
Will Dickinson – SPMUD
Bonnie Gore – Placer County
Pauline Rocucci – City of Roseville

**MINUTES OF BOARD OF DIRECTORS' MEETING
November 13, 2025**

The regular meeting of the South Placer Wastewater Authority Board of Directors was called to order at 10:00 a.m. at the City of Roseville Corporation Yard, 2005 Hilltop Circle, Roseville, CA.

Directors Present:

Karen Alvord
Anthony DeMattei
Will Dickinson
Bonnie Gore
Pauline Rocucci

Staff Present:

Osman Mufti, JPA Counsel
Sean Bigley, Executive Director
Dennis Kauffman, Chief Financial Officer
Pam Walsh, Board Secretary

Call To Order

Director Rocucci called the South Placer Wastewater Authority Board meeting to order at 10:00 a.m.

Roll Call

Present: Alvord, DeMattei, Dickinson, Gore, Rocucci
Absent: None

Pledge of Allegiance

Director DeMattei led the Pledge of Allegiance.

Public Comment

No public comments were received.

Approval of June 26, 2025 SPWA Board Meeting Minutes

A vote was taken as follows:

MOTION by Director Dickinson, seconded by Director Gore, to approve the June 26, 2025, minutes. The motion passed.

Vote: Ayes: Alvord, Dickinson, Gore, Roccucci
Nos: None
Abstentions: DeMattei

Consent Calendar

BEGINNING OF RECEIVE AND FILE ITEMS

Item A. Investment Review

Item B. Rate Stabilization Fund Balances as of June 30, 2025

MOTION by Director Alvord, seconded by Director Dickinson, to approve the Consent Calendar items. The Motion passed.

Vote: Ayes: Alvord, DeMattei, Dickinson, Gore, Roccucci
Nos: None

No public comments were received on this item.

END OF RECEIVE AND FILE ITEMS

Presentations

1. Resolution: Investment Policy for FY2025-2026

South Placer Wastewater Authority Chief Financial Officer, Dennis Kauffman presented on this item in Teri Quinlan's absence and requested the Board adopt the Investment Policy for South Placer Wastewater Agency for FY 2025-26, effective July 1, 2025.

Mr. Kauffman addressed questions asked by Director Dickinson at the June 26, 2025, regarding diversification of the Investment Policy.

Mr. Kauffman explained each transaction and the entire portfolio must comply with California Government Code Sections 53600 and 53635 et seq. and the Investment Policy. The Investment Policy conforms to the customary standards of prudent investment management and any changes to the policy must be adopted by the Board of Directors. The policy requires diversification to avoid unreasonable and avoidable risks. The investments are diversified by the type of securities, the maturities of the securities, and the issuers of the securities. After further discussion following the June Board Meeting, staff proposed adding language to the Delegation of Authority section of the policy to require a resolution of the Board to authorize individual investments in excess of \$15 million. Generally, for SPWA, individual investment purchases range from \$2 to \$5 million. Establishing this \$15 million threshold requiring Board approval will convey an additional

expectation for diversification without limiting the CFO's ability to invest the Authority's funds timely and effectively.

MOTION by Director DeMattei, seconded by Director Gore, to approve Resolution 2025-10 to adopt the South Placer Wastewater Authority Investment Policy for FY 2025-2026.

Vote: Ayes: Alvord, DeMattei, Dickinson, Gore, Roccucci
 Nos: None

No public comments were received on this item.

2. Resolution: Equivalent Dwelling Units Update

SPWA Executive Director, Sean Bigley requested the Board adopt a non-binding resolution asking the Board to provide direction to staff regarding the equivalent dwelling unit (EDU) study for age-restricted single-family residential projects.

Mr. Bigley explained the flows and loads study completed by CASA (California Association of Sanitation Agencies) had been completed and the study was forwarded to partner agencies approximately one month ago. The study, however, did not specifically address "age-restricted" single family residences and was not helpful in providing insight into questions posted by Placer County on this topic.

Mr. Bigley added, upon review of the SPWA Funding Agreement by the SPWA Executive Director, the SPWA Chief Financial Officer, and the SPWA Legal Counsel, it was determined that a localized EDU study would not fall within the definition of a project eligible for funding with the use of regional connection fees collected by SPWA, or through reimbursement from the SPWA Operations and Maintenance Fund.

To move forward with a localized study, Mr. Bigley advised the Board that one SPWA partner agency would need to voluntarily take the administrative lead and would need to ascertain agreement by the other two SPWA partner agencies to jointly fund the project, using local funds. He explained that an SPWA partner agency is not obligated or required to participate or fund such a localized EDU study. It also does not preclude single SPWA partner agencies from conducting their own localized EDU study at their own expense.

Mr. Bigley stated that the coordination, development of agreements, and management of such an effort would not be the responsibility of SPWA.

Director Dickinson questioned if any of the individual partner agencies would be allowed to make changes to how their EDUs are calculated within their jurisdiction.

SPWA Legal Counsel, Osman Mufti, replied they would be allowed to make changes to how their EDUs are calculated in their jurisdiction. He explained the SPWA has multiple agreements, including the Funding Agreement, which funds the agency. Within the funding agreement, the member agencies have agreed that the EDU determination is reserved exclusively for each individual jurisdiction, meaning it is set by ordinance by the respective partner boards. The Funding Agreement states SPWA makes a recommendation as to what it believes the regional connection fee should be and it is up to each individual jurisdiction to adopt that fee. The power ultimately resides with the Board Member's respective bodies in making that decision by ordinance. The SPWA simply makes a

recommendation and, if the EDU amount instituted by a partner agency happens to be lower than the recommended SPWA amount, that individual agency is obligated to make up that difference.

Mr. Mufti added, each agency has the authority under the agreements to change the calculation of EDUs. This is reserved and remains within each of the jurisdictions.

When recommending the minimum regional connection fee, the Authority (SPWA) considers appropriate factors such as the future capital costs, amount of debt service, the funding of the rate stabilization fund, and the anticipated expansions or modification of, or improvements for, regional wastewater facilities.

The last fee update was presented at the April 2024 SPWA Board meeting.

Mr. Mufti remarked that this item is not a decision to be made by SPWA but rather the partner's governing bodies have this responsibility and authority.

Director Gore expressed her frustration in waiting on the CASA study's completion, when it did not provide the information needed for the Board to move forward. And now the Board is being told by staff that it is not the responsibility of SPWA to define the EDUs. She added, she would like to see the member agencies meet in order to discuss possibly changing the funding structure in the Funding Agreement.

Director DeMattei asked what the debt service was annually and Mr. Kauffman responded \$15 million. He then asked for the average rate on that debt, and Mr. Kauffman responded it is between 2-3%. Later in the meeting, City of Roseville Business Services Manager, Archana Wagley, clarified the \$15 million is the annual debt service; however, the total debt service is \$196 million.

Director Gore indicated she was not comfortable passing the resolution as stated. She felt that there has not been thorough conversations between the Board Members and their perspective staff of the partnering agencies.

Director Dickinson agreed with Director Gore, stating he would like to review the study first to be more informed.

Director DeMattei also did not want to pass the resolution as written and is not comfortable with agreeing to fund an individual study in the amount of \$2 million. He believes the County could have their own Ad Hoc committee that could dive into the numbers to answer his questions and come up with their own conclusions on the costs and what the discounted EDU would be for age-restricted residents. He does not believe there should be a funding gap given by other residents to make up the difference.

Director Alvord felt that the Board should give staff direction on what SPWA should or should not be doing at this point. It was her opinion there needed to be more discussion between the partner agencies and their Board members. She also felt the Board would benefit at looking at how the regional rate was determined. She would prefer not to make changes to the Funding Agreement, but she felt more discussion between the partner agencies is necessary.

Director DeMattei asked if a member agency decided to reduce an EDU fee, if that would require a change to the SPWA Funding Agreement. Mr. Mufti answered that it would not. If a member agency individually decided to change the EDU fee, but the remaining partnering agencies did not want to, it would not impact the Funding Agreement because the regional connection fee would remain the same.

Director DeMattei then asked, if a partner agency decided to reduce an EDU fee, what options would a partnering agency have to avoid paying the gap between the partner's reduced EDU fee and the SPWA regional fee. Mr. Mufti explained there would need to be a change in the Funding Agreement, which would require all three member agencies' approval. It would have to be analyzed with Bond Counsel for any implications it may have to bond holders (such as whether this could affect the bond rating for SPWA). It would then have to be approved by all member agencies' governing boards. If that happened, then the other SPWA agreements would also have to be revisited to ensure any changes made to the Funding Agreement does not affect the other SPWA agreements. Once that is done and adopted, it would then become SPWA's process.

Mr. Bigley recommended deferring the item and, in the interim, convening the partner agencies to discuss the questions that were presented by the Board at today's meeting and discuss any further areas that need to be addressed. Following this, staff from member agencies will meet with their Board members for further discussion and clarification in order to present suggestions for a resolution to this item to be included in the February 4, 2026, SPWA Board meeting. Mr. Bigley reiterated this will primarily fall on staff members at each partner agency with some facilitation by SPWA staff.

Directors decided unanimously not to pass the resolution as stated and to move this item to a future meeting.

Several public comments were received on this item. Chair Roccucci read an email she received regarding this item. Public comment was also received from Jeff Short from BIA and Chad Roberts from Hefner Law.

3. Resolution: Pleasant Grove Wastewater Treatment Plant Maintenance, Administration, and Shop Building Project Update and Budget Adjustment Request

City of Roseville Wastewater Utility Manager, Tracie Mueller, requested the Board approve a budget adjustment for the Pleasant Grove Wastewater Treatment Plant Maintenance, Administration, and Shop building project in the amount of \$33,100,000 for a total SPWA budget amount of \$34,200.00

Mrs. Mueller stated the City of Roseville will help fund 9.2% of the construction cost for this project in order to include a larger conference room that will accommodate City of Roseville utility staff and will not come out of SPWA funds.

Director DeMattei asked the size of the conference room. Mrs. Mueller reported she did not have that information but would provide it following this meeting.

Director Dickinson asked if the cost of the conference room could be done as a separate line item to make sure the percentage is accurate once bids are received.

MOTION by Director Alvord, seconded by Director DeMattei, to approve Resolution 2025-12 to approve additional funding for the Pleasant Grove Wastewater Treatment Plant Maintenance, Administration, and Shop Building Project Budget Adjustment.

Vote: Ayes: Alvord, DeMattei, Dickinson, Gore, Roccucci
 Nos: None

No public comments were received on this item.

4. Resolution: Approval of Authority Schedule of Regular Meeting Dates

Mr. Bigley asked the Board to approve the schedule of regular meeting dates for the SPWA for 2026 and asked the Board to reduce the number of meetings annually from four to three.

Directors did not want to reduce the number of meeting dates annually and asked that the number of meetings remain at four. They also requested that meeting days be changed from Thursdays to Wednesday, due to numerous conflicts.

MOTION by Director Gore, seconded by Director DeMattei, to approve Resolution 2025-13 for the South Placer Wastewater Authority Meeting Dates.

Future meetings dates for 2026 will be:

February 4, 2026	10:00 am
June 3, 2026	10:00 am
September 2, 2026	10:00 am
November 4, 2026	10:00 am

Vote: Ayes: Alvord, DeMattei, Dickinson, Gore, Roccucci
 Nos: None

No public comments were received on this item.

5. Information: Project Update and Financial Summary

Mrs. Mueller provided a summary of the progress and financial status of the ongoing SPWA capital improvement projects.

No Public Comments were received on this item.

Reports/Comments – Board Members/Staff

Director Dickinson asked Mr. Bigley if anyone had talked to the rating agency about their comments regarding SPMUD and their connection fees not rising to the level of the expenses for that one year. Mr. Bigley replied SPMUD staff has asked questions and Mr. Kauffman has worked with Bond Counsel to provide answers and that information has been provided to

SPMUD staff. Director Dickinson would like to see this addressed and the comment removed from the next report.

Director Dickenson also asked if it would be possible for SPWA staff to provide updates regarding the projects versus the money that's needed to pay for those projects and where the money will come from.

Adjournment

The SPWA Board meeting was adjourned at 12:05 pm.

Pauline Rocucci
Chair

Pamela Walsh
Secretary to the Board

AGENDA
ITEM A

INVESTMENT
REVIEW



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 08, 2026
Board of Directors

FROM: Teri Quinlan – Accounting Manager

AUTHORITY COMMUNICATION NO.: AC 26-01

SUBJECT: Investment Review

For SPWA Board Meeting 02/04/2026

ACTION REQUESTED

None required. This is an information item.

BACKGROUND

The following report details the performance of the Authority's investments through November 2025.

INVESTMENTS

The Schedule of Investments for November 2025 is attached to this report. The yield to maturity on the invested funds was 4.067 %.

Additional Accumulated Funds

The additional accumulated funds, in the amount of \$42.5 million, is a combination of:

- \$ 30,226,635 in the Authority's wastewater project fund held by the fiscal agent
- \$ 12,254,214 in the Authority's bond reserve fund held by the fiscal agent
- \$ 4,943 in the Authority's principal fund held by the fiscal agent
- \$ 509 in the Authority's interest fund held by the fiscal agent

Submitted by:

Teri L. Quinlan Digitally signed by Teri L. Quinlan
Date: 2026.01.27 12:39:06 -08'00'

Teri Quinlan
Accounting Manager

Approved by:

Dennis Kauffman Digitally signed by Dennis
Kauffman
Date: 2026.01.28 11:25:33 -08'00'

Dennis Kauffman
Chief Financial Officer

A handwritten signature in black ink that reads "S. Bigley".

Sean Bigley
Executive Director

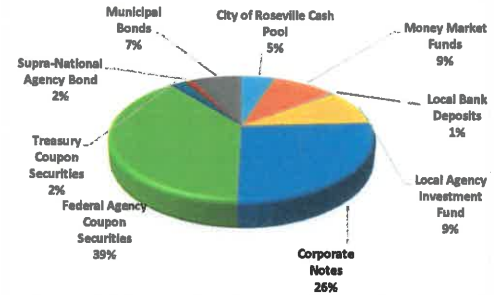


Performance | Total Portfolio Summary
November 2025

Benchmark Performance	11/30/2025	8/31/2025
Average Portfolio Yield	4.067	3.954
2Yr CMT	3.470	3.590
LAIF	4.096	4.251

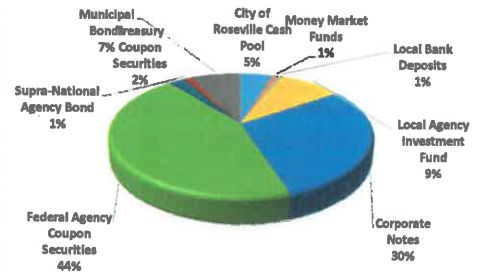
NOVEMBER 2025

Asset Category	Compliance	YTM/C	Days to Maturity	Par Value	Market Value	Book Value
	% of Portfolio					
	365					
City of Roseville Cash Pool	4.97%	3.342	1	11,132,377	11,132,377	11,132,377
Money Market Funds	9.32%	3.590	1	20,882,491	20,882,491	20,882,491
Local Bank Deposits	0.61%	4.516	1	1,372,744	1,372,744	1,372,744
Local Agency Investment Fund	9.12%	4.096	1	20,415,059	20,415,059	20,415,059
	24.02%	0.902	1	53,802,672	53,802,672	53,802,672
Corporate Notes	26.34%	4.259	866	59,100,000	59,587,835	58,992,405
Federal Agency Coupon Securities	38.76%	4.106	938	87,537,000	87,704,322	86,803,277
Treasury Coupon Securities	2.24%	3.844	1666	5,000,000	5,059,830	5,006,474
Supra-National Agency Bond	1.34%	4.500	805	3,000,000	3,030,021	3,000,000
Municipal Bonds	7.31%	4.184	1,229	16,670,000	16,582,109	16,365,334
	75.98%	3.165	728	171,307,000	171,964,116	170,167,490
TOTAL PORTFOLIO Average	100.00%	4.067	730	225,109,672	225,766,788	223,970,162



AUGUST 2025

Asset Category	Compliance	YTM/C	Days to Maturity	Par Value	Market Value	Book Value
	% of Portfolio					
	365					
City of Roseville Cash Pool	4.85%	2.648	1	10,724,988	10,724,988	10,724,988
Money Market Funds	0.71%	3.910	1	1,572,770	1,572,770	1,572,770
Local Bank Deposits	0.61%	4.616	1	1,357,566	1,357,566	1,357,566
Local Agency Investment Fund	9.12%	4.251	1	20,194,417	20,194,417	20,194,417
	15.29%	0.572	1	33,849,741	33,849,741	33,849,741
Corporate Notes	29.57%	4.099	868	65,600,000	65,915,035	65,446,804
Federal Agency Coupon Securities	44.14%	3.880	912	98,537,000	98,367,722	97,683,626
Treasury Coupon Securities	2.26%	3.844	1757	5,000,000	5,041,110	5,006,814
Supra-National Agency Bond	1.36%	4.500	896	3,000,000	3,008,691	3,000,000
Municipal Bonds	7.38%	4.184	1,320	16,670,000	16,522,177	16,341,139
	84.71%	3.381	809	188,807,000	188,854,734	187,478,383
TOTAL PORTFOLIO Average	100.00%	3.954	809	222,656,741	222,704,475	221,328,124





**Monthly Investment Report
Portfolio Management
Portfolio Summary
November 30, 2025**


City of Roseville CA

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C
City of Roseville Cash Pool*	11,132,377.49	11,132,377.49	11,132,377.49	4.97	1	1	3.342
Money Market Funds	20,882,490.76	20,882,490.76	20,882,490.76	9.32	1	1	3.590
Local Bank Deposits	1,372,744.18	1,372,744.18	1,372,744.18	0.61	1	1	4.516
Local Agency Investment Funds	20,415,059.07	20,415,059.07	20,415,059.07	9.12	1	1	4.096
Corporate Notes	59,100,000.00	59,587,834.50	58,992,404.89	26.34	1,701	866	4.259
Federal Agency Coupon Securities	87,537,000.00	87,704,322.15	86,803,277.00	38.76	1,742	938	4.106
Treasury Coupon Securities	5,000,000.00	5,059,830.00	5,006,473.95	2.24	1,812	1,666	3.844
Supra-National Agency Bond	3,000,000.00	3,030,021.00	3,000,000.00	1.34	1,826	805	4.500
Municipal Bonds	16,670,000.00	16,582,108.55	16,365,334.24	7.31	1,657	1,229	4.184
Investments	225,109,671.50	225,766,787.70	223,970,161.58	100.00%	1,309	730	4.067

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	760,136.65	3,664,271.48
Average Daily Balance	220,213,800.92	219,886,392.51
Effective Rate of Return	4.20%	3.98%

*Estimated balance at month-end
Market values provided by US BANK, and LAIF

THIS SCHEDULE OF INVESTMENTS IS IN COMPLIANCE WITH THE INVESTMENT POLICY AS ESTABLISHED AND SUFFICIENT FUNDS WILL BE AVAILABLE TO MEET CASH FLOW REQUIREMENTS FOR THE NEXT SIX MONTHS.


 Sean Bigley, Executive Director
 Digitally signed by Dennis Kauffman
 Date: 2026.01.28 11:25:01 -08'00'
 Dennis Kauffman, Chief Financial Officer

 DATE 1/28/2026

Reporting period 11/01/2025-11/30/2025
Data Updated: SET_001: 01/08/2026 09:48
Run Date: 01/08/2026 - 09:51

Portfolio SPWA
AP
PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

**Monthly Investment Report
Portfolio Management
Interest Earnings Summary
November 30, 2025**

	November 30Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	611,673.39	2,584,541.64
Plus Accrued Interest at End of Period	1,698,799.19	1,698,799.19
Less Accrued Interest at Beginning of Period	(1,760,327.47)	(1,484,540.56)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	550,145.11	2,798,800.27
Adjusted by Premiums and Discounts	54,576.97	273,290.83
Adjusted by Capital Gains or Losses	25,504.31	29,749.99
Earnings during Periods	630,226.39	3,101,841.09
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	10,706,049.53	10,706,049.53
Less Accrued Interest at Beginning of Period	(10,576,139.27)	(10,143,619.14)
Interest Earned during Period	129,910.26	562,430.39
Total Interest Earned during Period	680,055.37	3,361,230.66
Total Adjustments from Premiums and Discounts	54,576.97	273,290.83
Total Capital Gains or Losses	25,504.31	29,749.99
Total Earnings during Period	760,136.65	3,664,271.48



Monthly Investment Report
Fund 001 - SPWA
Investments by Fund
November 30, 2025

City of Roseville CA

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
City of Roseville Cash Pool*											
SYS10048	10048	City of Roseville Cash Pool	07/01/2025	11,132,377.49	11,132,377.49	11,132,377.49	3.342	3.296	3.342		1
Subtotal and Average				11,132,377.49	11,132,377.49	11,132,377.49		3.296	3.342		1
Money Market Funds											
431114503	10434	US BANK	07/01/2025	20,882,490.76	20,882,490.76	20,882,490.76	3.590	3.540	3.590		1
Subtotal and Average				20,882,490.76	20,882,490.76	20,882,490.76		3.541	3.590		1
Local Bank Deposits											
FSB	10746	FIVE STAR BANK	07/01/2025	684,466.53	684,466.53	684,466.53	4.250	4.191	4.250		1
RCB	10745	RIVER CITY BANK	07/01/2025	688,277.65	688,277.65	688,277.65	4.780	4.714	4.780		1
Subtotal and Average				1,372,744.18	1,372,744.18	1,372,744.18		4.454	4.516		1
Local Agency Investment Funds											
40-31-001	10032	Local Agency Investment Fund	07/01/2025	20,415,059.07	20,415,059.07	20,415,059.07	4.096	4.039	4.096		1
Subtotal and Average				20,415,059.07	20,415,059.07	20,415,059.07		4.040	4.096		1
Corporate Notes											
00724PAJ8	10786	ADOBE INC	04/09/2025	3,076,200.00	3,000,000.00	3,106,830.00	4.950	4.293	4.353	01/17/2030	1,508
023135BC9	10718	AMAZON	09/16/2022	2,881,740.00	3,000,000.00	2,973,600.00	3.150	3.983	4.038	08/22/2027	629
037833EZ9	10795	APPLE INC GLOBAL NOTES	07/09/2025	3,009,690.00	3,000,000.00	3,046,890.00	4.200	4.068	4.124	05/12/2030	1,623
110122CN6	10719	BRISTOL MYERS SQUIBB	09/16/2022	1,946,860.00	2,000,000.00	1,993,980.00	3.200	3.914	3.968	06/15/2026	196
14913UAQ3	10771	CATERPILLAR FINANCIAL SE	10/03/2024	2,040,760.00	2,000,000.00	2,032,120.00	4.375	3.856	3.910	08/16/2029	1,354
14913UAX8	10782	CATERPILLAR FINANCIAL SE	02/11/2025	1,514,790.00	1,500,000.00	1,555,515.00	4.800	4.509	4.572	01/08/2030	1,499
532457CQ9	10781	ELI LILLY CO	11/14/2024	2,474,875.00	2,500,000.00	2,529,300.00	4.200	4.374	4.435	08/14/2029	1,352
458140AX8	10698	INTEL CORP	06/24/2022	1,955,340.00	2,000,000.00	1,973,240.00	3.150	3.603	3.653	05/11/2027	526
24422EXB0	10776	JOHN DEERE CAP MTN	01/08/2024	1,533,225.00	1,500,000.00	1,541,250.00	4.950	4.343	4.403	07/14/2028	956
46625HQW3	10699	JP MORGAN CHASE CORP NOTES	06/21/2022	1,939,600.00	2,000,000.00	1,994,940.00	3.300	4.118	4.175	04/01/2026	121
48130CC37	10785	JP MORGAN CHASE CORP NOTES	03/14/2025	2,000,000.00	2,000,000.00	2,024,120.00	4.600	4.536	4.600	04/14/2030	1,595
571676AT2	10736	MARS INC	06/20/2023	2,491,500.00	2,500,000.00	2,531,175.00	4.550	4.564	4.627	04/20/2028	871
58933YBC8	10738	MERCK & CO INC	09/12/2023	2,692,500.00	3,000,000.00	2,912,400.00	1.700	4.653	4.717	06/10/2027	556
30303M8L9	10730	META PLATFORMS INC	06/20/2023	2,493,750.00	2,500,000.00	2,548,800.00	4.600	4.593	4.656	05/15/2028	896

Data Updated: SET_001: 01/08/2026 09:48
 Run Date: 01/08/2026 - 09:51

Portfolio SPWA
 AP
 FI (PRF_FI) 7.3.11
 Report Ver. 7.3.11

**Fund 001 - SPWA
Investments by Fund
November 30, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
Corporate Notes											
30303M8L9	10739	META PLATFORMS INC	10/17/2023	1,961,060.00	2,000,000.00	2,039,040.00	4.600	5.011	5.080	05/15/2028	896
61760QTM6	10791	Morgan Stanley Comm Paper	05/16/2025	2,000,000.00	2,000,000.00	2,048,360.00	4.400	4.339	4.400	05/16/2030	1,627
57629W4T4	10765	MASSMUTUAL MTN	07/11/2024	3,047,550.00	3,000,000.00	3,093,780.00	5.150	4.715	4.781	05/30/2029	1,276
654106AJ2	10700	NIKE INC	06/03/2022	2,454,350.00	2,500,000.00	2,466,650.00	2.750	3.117	3.161	03/27/2027	481
713448GB8	10784	PEPSICO INC GLOBAL NOTES	02/11/2025	1,501,875.00	1,500,000.00	1,537,980.00	4.600	4.508	4.571	02/07/2030	1,529
771196BK7	10701	ROCHE HOLDINGS INC	06/03/2022	2,440,950.00	2,500,000.00	2,484,450.00	2.625	3.222	3.266	05/15/2026	165
771196CP5	10768	ROCHE HOLDINGS INC	09/12/2024	2,533,125.00	2,500,000.00	2,522,775.00	4.203	3.854	3.908	09/09/2029	1,378
784710AA3	10729	SSM HEALTH CARE	11/18/2022	2,348,986.50	2,450,000.00	2,445,296.00	3.823	4.779	4.846	06/01/2027	547
872540AQ2	10703	TJX COS INC	06/21/2022	1,867,040.00	2,000,000.00	1,975,060.00	2.250	3.916	3.970	09/15/2026	288
89236TMF9	10766	TOYOTA MOTOR CREDIT CORP COMM	07/11/2024	2,031,560.00	2,000,000.00	2,066,680.00	5.050	4.616	4.680	05/16/2029	1,262
872898AF8	10704	TSMC ARIZ CORP	06/24/2022	1,991,380.00	2,000,000.00	1,999,000.00	3.875	3.918	3.973	04/22/2027	507
91324PEG3	10708	UNITEDHEALTH GROUP	06/21/2022	2,124,243.00	2,150,000.00	2,144,603.50	3.700	3.916	3.970	05/15/2027	530
Subtotal and Average				58,352,949.50	59,100,000.00	59,587,834.50		4.201	4.259		931
Federal Agency Coupon Securities											
31424WCR1	10747	FEDERAL AGRIC MTG CORP AGCY	12/12/2023	1,855,180.00	1,850,000.00	1,890,515.00	4.375	4.252	4.311	12/04/2028	1,099
31424WN99	10796	FEDERAL AGRIC MTG CORP AGCY	08/15/2025	2,005,000.00	2,000,000.00	2,005,300.00	4.040	3.929	3.984	08/12/2030	1,715
3133ENTS9	10693	Federal Farm Credit Bank	04/05/2022	2,767,875.00	2,750,000.00	2,713,672.50	2.600	2.427	2.461	04/05/2027	490
3133ENNG1	10711	Federal Farm Credit Bank	07/18/2022	3,547,500.00	3,750,000.00	3,673,012.50	1.860	3.098	3.141	02/08/2027	434
3133ENA26	10727	Federal Farm Credit Bank	11/17/2022	2,935,500.00	3,000,000.00	2,996,460.00	3.750	4.331	4.391	07/13/2026	224
3133ENVM9	10732	Federal Farm Credit Bank	06/16/2023	4,607,128.80	4,734,000.00	4,709,714.58	3.740	4.296	4.356	04/27/2028	878
3133EMXP2	10741	Federal Farm Credit Bank	10/16/2023	1,673,520.00	1,900,000.00	1,836,597.00	1.200	4.848	4.916	04/28/2027	513
3133ERCX7	10753	Federal Farm Credit Bank	05/17/2024	3,012,000.00	3,000,000.00	3,010,980.00	5.170	4.987	5.056	05/01/2028	882
3133ERDH1	10754	Federal Farm Credit Bank	05/14/2024	5,061,000.00	5,000,000.00	5,191,200.00	4.750	4.411	4.472	04/30/2029	1,246
3133EMV74	10758	Federal Farm Credit Bank	07/11/2024	2,631,240.00	3,000,000.00	2,787,360.00	1.400	4.204	4.262	04/26/2029	1,242
3133ENQK9	10759	Federal Farm Credit Bank	07/11/2024	1,871,700.00	2,000,000.00	1,938,620.00	2.750	4.225	4.283	03/07/2029	1,192
3133ENUF5	10760	Federal Farm Credit Bank	07/11/2024	2,877,840.00	3,000,000.00	2,956,560.00	3.380	4.277	4.336	04/11/2029	1,227
3133ERKX8	10761	Federal Farm Credit Bank	07/12/2024	5,019,250.00	5,000,000.00	5,116,200.00	4.250	4.106	4.163	07/12/2029	1,319
3133ERB67	10779	Federal Farm Credit Bank	11/14/2024	2,502,000.00	2,500,000.00	2,553,900.00	4.250	4.172	4.230	02/14/2029	1,171
3130ASD22	10696	Federal Home Loan Bank	06/29/2022	3,000,000.00	3,000,000.00	2,993,670.00	3.590	3.540	3.590	06/29/2027	575
3130ALCE2	10709	Federal Home Loan Bank	07/18/2022	3,306,397.50	3,675,000.00	3,556,040.25	0.920	3.876	3.930	02/26/2027	452
3130AT2Y2	10725	Federal Home Loan Bank	11/17/2022	2,825,760.00	2,900,000.00	2,888,661.00	3.700	4.485	4.547	08/23/2027	630

**Fund 001 - SPWA
Investments by Fund
November 30, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3130AWTR1	10737	Federal Home Loan Bank	09/13/2023	2,993,400.00	3,000,000.00	3,066,000.00	4.375	4.361	4.422	09/08/2028	1,012
3130AXEL8	10740	Federal Home Loan Bank	10/16/2023	3,614,760.00	3,600,000.00	3,711,852.00	4.750	4.591	4.655	09/08/2028	1,012
3130B1BC0	10757	Federal Home Loan Bank	07/11/2024	5,100,000.00	5,000,000.00	5,178,100.00	4.625	4.110	4.167	06/08/2029	1,285
3130AH3Z4	10772	Federal Home Loan Bank	10/07/2024	3,477,637.50	3,750,000.00	3,555,525.00	2.200	3.767	3.820	09/24/2029	1,393
3130ATHX8	10773	Federal Home Loan Bank	10/07/2024	4,070,920.00	4,000,000.00	4,078,560.00	4.125	3.676	3.727	09/14/2029	1,383
3130B6BG0	10790	Federal Home Loan Bank	05/12/2025	1,990,000.00	2,000,000.00	2,014,980.00	4.000	4.055	4.111	05/07/2030	1,618
3130AWGS3	10793	Federal Home Loan Bank	06/26/2025	5,067,100.00	5,000,000.00	5,106,200.00	4.125	3.773	3.825	06/14/2030	1,656
3134GXRMB	10697	Federal Home Loan Mtg Corp	06/24/2022	3,113,924.00	3,128,000.00	3,119,992.32	3.550	3.623	3.674	05/18/2027	533
3134HBVQ1	10794	Federal Home Loan Mtg Corp	06/11/2025	5,000,000.00	5,000,000.00	5,054,650.00	4.250	4.191	4.250	06/11/2030	1,653
Subtotal and Average				85,926,832.80	87,537,000.00	87,704,322.15	4.050	4.106			1,083
Treasury Coupon Securities											
91282CMZ1	10792	U.S. Treasury	05/12/2025	1,997,760.00	2,000,000.00	2,023,980.00	3.875	3.846	3.899	04/30/2030	1,611
91282CNN7	10797	U.S. Treasury	08/15/2025	3,009,000.00	3,000,000.00	3,035,850.00	3.875	3.755	3.807	07/31/2030	1,703
Subtotal and Average				5,006,760.00	5,000,000.00	5,059,830.00	3.792	3.844			1,686
Supra-National Agency Bond											
45950VUJ3	10783	International Finance Corp	02/14/2025	3,000,000.00	3,000,000.00	3,030,021.00	4.500	4.438	4.500	02/14/2030	1,536
Subtotal and Average				3,000,000.00	3,000,000.00	3,030,021.00	4.438	4.500			1,536
Municipal Bonds											
13063DMB1	10756	CA ST REV BONDS	07/11/2024	1,898,740.00	2,000,000.00	1,958,640.00	3.050	4.193	4.251	04/01/2029	1,217
544351RN1	10764	CA ST REV BONDS	07/11/2024	1,301,489.00	1,225,000.00	1,301,709.50	6.000	4.273	4.332	09/01/2028	1,005
13063EBP0	10770	CA ST REV BONDS	10/07/2024	1,368,089.80	1,295,000.00	1,358,208.95	5.125	3.796	3.849	09/01/2029	1,370
20772KKB4	10778	CONNECTICUT ST	11/14/2024	1,109,724.80	1,195,000.00	1,149,864.85	2.627	4.284	4.344	07/01/2029	1,308
20772KZK8	10789	CONNECTICUT ST	05/12/2025	1,522,500.00	1,500,000.00	1,534,050.00	4.489	4.008	4.064	03/15/2029	1,200
378460C31	10780	GLENDALE CA UNI SCH	11/14/2024	1,315,650.00	1,500,000.00	1,372,650.00	1.480	4.285	4.345	09/01/2029	1,370
45204EC71	10788	ILLINOIS FIN AUTH	04/09/2025	1,958,519.25	2,025,000.00	1,999,667.25	3.548	4.324	4.384	08/15/2029	1,353
574193WW4	10763	MaryLand State	07/11/2024	1,789,998.75	1,775,000.00	1,823,706.00	4.440	4.233	4.292	06/01/2029	1,278
692020T75	10748	Oxnard Cal School District	12/26/2023	1,042,514.55	1,155,000.00	1,111,572.00	1.439	4.335	4.395	08/01/2027	608
91412HFG3	10767	UNIV OF CAL TXBL REV BONDS	08/14/2024	2,930,400.00	3,000,000.00	2,972,040.00	3.349	3.822	3.875	07/01/2029	1,308
Subtotal and Average				16,237,826.15	16,870,000.00	16,582,108.55	4.127	4.184			1,228

**Fund 001 - SPWA
Investments by Fund
November 30, 2025**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Market Value	Current Rate	YTM/C 360	YTM/C 365	
Total Investments and Average				222,326,639.95	225,109,671.50	225,766,787.70	4.011	4.067	805



City of Roseville CA

Monthly Investment Report
Maturity Report
 Sorted by Maturity Date
 Receipts during November 1, 2025 - November 30, 2025

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
166764BD1	10695	001	MTN	CHEVRO	2,500,000.00	11/17/2025	06/03/2022	3.326	2,500,000.00	41,575.00	2,541,575.00	41,575.00
3133EMHF2	10688	001	FAC	FFCB	2,000,000.00	11/24/2025	11/27/2020	0.600	2,000,000.00	6,000.00	2,006,000.00	6,000.00
06048WK41	10690	001	MTN	BAC	2,000,000.00	11/25/2025	11/25/2020	0.650 V	2,000,000.00	5,000.00	2,005,000.00	5,000.00
Total Maturities					6,500,000.00				6,500,000.00	52,575.00	6,552,575.00	52,575.00

V - Security with variable rate change.

Data Updated: SET_001: 01/08/2026 09:48
 Run Date: 01/08/2026 - 09:51

Portfolio SPWA
 AP
 MA (PRF_MA) 7.3.11
 Report Ver. 7.3.11



Monthly Investment Report
Sales/Call Report
 Sorted by Fund - Maturity Date
 November 1, 2025 - November 30, 2025

City of Roseville CA

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
SPWA												
3134GXU36	10724	001	FHLMC FAC	10/28/2022	11/27/2025 08/27/2027	4,000,000.00	4.200	3,974,495.69	4,000,000.00	42,000.00	4,042,000.00 Call	67,504.31
					Subtotal	4,000,000.00		3,974,495.69	4,000,000.00	42,000.00	4,042,000.00	67,504.31
					Total Sales	4,000,000.00		3,974,495.69	4,000,000.00	42,000.00	4,042,000.00	67,504.31

AGENDA
ITEM B

DEBT
REVIEW



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 06, 2026
 Board of Directors

FROM: Brett Kihara, Senior Accountant

AUTHORITY COMMUNICATION NO.: AC 26-02

SUBJECT: Debt Review FY2025-2026

For SPWA Board Meeting 02/04/2026

ACTION REQUESTED

None required. This is an informational item.

BACKGROUND

The following report details a review of the Authority's outstanding debt, debt service budget, year-to-date expenses, and remaining forecast for FY2025-26.

SUMMARY OF OUTSTANDING DEBT

The South Placer Wastewater Authority currently has \$184.6 million of debt outstanding as shown in the table below. All long-term debt in the portfolio is fixed rate. The State Revolving Fund (SRF) loans issues size represents the total draws from the SRF loans for the Pleasant Grove Wastewater Treatment Plant (PGWWTP) Expansion and Energy Recovery projects. The outstanding par represents the total draws from the loans net of the \$4,000,000 loan forgiveness on the Energy Recovery project and debt service paid on both loans through December 31, 2025.

Summary of Outstanding Debt						
Series	Type	Issues Size	Outstanding Par	Coupon / Interest Rate	Final Maturity	% of Total Debt
2017	Fixed Rate Bonds	\$ 74,780,000	\$ 44,050,000	5.00%	11/1/2037	23.87%
2020	Fixed Rate Bonds	\$ 46,920,000	\$ 46,920,000	5.00%	11/1/2035	25.42%
N/A	SRF Loans	\$103,040,170	\$ 93,580,812	1.30%	7/3/2053	50.71%
		Total	\$184,550,812			

BUDGET, ACTUAL, and FORECASTED ESTIMATES

The current projection for all debt service in FY2025-26 is estimated to align with the annual budget. The next PGWWTP Energy Recovery project SRF loan payment is due January 31, 2026 and the next Expansion project SRF loan payment is due July 3, 2026.

Summary of Outstanding Debt					
Series	Annual Budget	Debt Service Paid 7/1/25-12/31/25	Estimated Remaining Debt Service	Estimated Year-End Total	Proposed Budget Changes
2017	\$ 9,080,250	\$7,979,000	\$1,101,250	\$9,080,250	\$0
2020	\$ 2,346,000	\$1,173,000	\$1,173,000	\$2,346,000	\$0
SRF	4,008,709	\$3,046,184	962,525	\$4,008,709	\$0

Submitted by:

Brett Kihara Digitally signed by Brett Kihara
Date: 2026.01.26 09:49:45 -08'00'

Brett Kihara
Senior Accountant

Approved by:

Dennis Kauffman Digitally signed by Dennis Kauffman
Date: 2026.01.28 11:28:32 -08'00'

Dennis Kauffman
Chief Financial Officer



Sean Bigley
Executive Director

AGENDA
ITEM C

SPWA ANNUAL
FINANCIAL STATEMENTS



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 23, 2026

FROM: Teri Quinlan, Accounting Manager

AUTHORITY COMMUNICATION NO.: AC 26-03

SUBJECT: Annual Financial Statements for the Fiscal Year Ended June 30, 2025

For SPWA Board Meeting 2/4/2026

ACTION REQUESTED

This communication is informational only. No action is required of the board.

BACKGROUND

The attached audited financial statements, report on internal control, and the communication letter to those charged with governance are for the fiscal year ended June 30, 2025. Lance, Soll, and Lunghard, LLP (LSL) conducted the audit of the financial statements. As a result of that audit, SPWA received an unmodified (clean) opinion. Additionally, they did not identify any audit findings or misstatements and did not encounter any difficulties or have any disagreements with management while performing procedures.

The financial statements include a Management Discussion and Analysis (MD&A) section, which provides a narrative overview and analysis of the financial activities of SPWA.

Submitted by:

Teri L. Quinlan

Digitally signed by Teri L.
Quinlan
Date: 2026.01.26 10:40:12 -08'00'

Teri Quinlan
Accounting Manager

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2026.01.28 11:41:04 -08'00'

Dennis Kauffman
Chief Financial Officer

A handwritten signature in black ink that reads "S. Bigley".

Sean Bigley
Executive Director



SOUTH PLACER WASTEWATER AUTHORITY CITY OF ROSEVILLE, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2025

ANNUAL FINANCIAL REPORT

Focused
on YOU



**SOUTH PLACER WASTEWATER AUTHORITY
CITY OF ROSEVILLE, CALIFORNIA**

Annual Financial Report

For the Year Ended June 30, 2025

SOUTH PLACER WASTEWATER AUTHORITY
CITY OF ROSEVILLE, CALIFORNIA

Annual Financial Report

For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position.....	10
Statement of Cash Flows.....	11
Notes to Financial Statements.....	12
Supplementary Information	
Analysis of Rate Stabilization Restricted Net Position.....	23



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the South Placer Wastewater Authority, (hereafter, the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025, and the changes in financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying analysis of rate stabilization restricted net position (supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

LSL, LLP

Sacramento, California
January 21, 2026

**SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The following discussion provides readers of the South Placer Wastewater Authority (SPWA) financial statements a narrative overview and analysis of the financial activities of the SPWA for the fiscal year ended June 30, 2025. The SPWA recommends that this document be read in conjunction with the accompanying Basic Financial Statements.

FISCAL YEAR 2025 FINANCIAL HIGHLIGHTS

Financial highlights of the SPWA's fiscal year 2025 include the following:

- The SPWA's revenues exceeded expenses by \$30.8 million in fiscal year 2025. This was primarily attributable to connection fee and interest revenue exceeding interest expense and construction costs on the capital projects.
- The SPWA's total assets exceeded liabilities, as of June 30, 2025, by \$52.8 million which is an increase of \$30.8 million from 2024. This is primarily due to increased connection fee revenues, relatively low spending on construction projects, and higher interest earned on investments from favorable market conditions.

OVERVIEW OF THE SPWA'S ANNUAL FINANCIAL REPORT

The SPWA's Annual Financial Report is divided into two sections:

- Financial section, including the independent auditors' report, management's discussion and analysis, the basic financial statements, and the footnotes to the basic financial statements.
- Supplemental Information section, including the Analysis of Rate Stabilization Restricted Net Position.

The Statement of Net Position and the Statement of Activities report information about the entity as a whole and about its activities in a method similar to the private sector. These statements provide both long-term and short-term information about the SPWA's overall financial status. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The notes to the basic financial statements provide additional information essential to understanding the data contained in the basic financial statements. In addition to these required elements, the SPWA has included the Analysis of Rate Stabilization Restricted Net Position as supplementary information.

SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE BASIC FINANCIAL STATEMENTS

This analysis focuses on the SPWA's net position and changes in its assets and liabilities during the fiscal year ending June 30, 2025.

Statement of Net Position
As of June 30, 2025 and 2024
(in thousands)

	<u>2025</u>	<u>2024</u>	Increase/ Decrease
Assets			
Cash and investments	\$ 263,652	\$ 243,752	\$ 19,900
Other assets	2,940	2,696	244
Total Assets	<u>266,592</u>	<u>246,448</u>	<u>20,144</u>
Liabilities			
Long-term debt outstanding	210,389	221,778	(11,389)
Other liabilities	3,418	2,688	730
Total Liabilities	<u>213,807</u>	<u>224,466</u>	<u>(10,659)</u>
Net Position			
Restricted for rate stabilization	220,252	201,494	18,758
Restricted for debt service	8,543	11,806	(3,263)
Unrestricted	<u>(176,010)</u>	<u>(191,318)</u>	<u>15,308</u>
Total Net Position	<u>\$ 52,785</u>	<u>\$ 21,982</u>	<u>\$ 30,803</u>

The SPWA's cash and investments increased by \$19.9 million primarily due to connection fee revenue and investment earnings exceeded construction and debt service costs during the fiscal year. Other assets increased because receivables were higher due to the timing of fee collections.

Long-term debt decreased as \$9.5 million in principal payments were made, and \$1.9 million of bond premiums were amortized. Other liabilities were higher at June 30, 2025 due to higher payables associated with construction costs.

The SPWA net position was a \$52.8 million at June 30, 2025 compared to a \$22.0 million at June 30, 2024, primarily due connection fees and investment income exceeding relatively low project costs due to larger projects being in the early stages of construction. The SPWA net position includes the amount restricted for rate stabilization totaling \$220.3 million. This category reports cash and investments held by SPWA to repay debt obligations and fund future capital projects. The restricted portion of the SPWA's net position of \$8.5 million represents resources that are restricted for use by debt covenants for debt service. The deficit unrestricted net position of \$176.0 million represents the amount of expended bond proceeds in excess of the restricted components of net position.

**SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

This analysis focuses on the changes in the SPWA's net position.

**Changes in Net Position
For the Years Ended June 30, 2025 and 2024
(in millions)**

	<u>2025</u>	<u>2024</u>	<u>Increase/ Decrease</u>
Revenues			
Capital contributions	\$ 29,150	\$ 25,143	\$ 4,007
Interest revenue	13,669	10,802	2,867
Total Revenues	<u>42,819</u>	<u>35,945</u>	<u>6,874</u>
Expenses			
Construction costs	7,577	5,955	1,622
Personnel services and administration	115	146	(31)
Interest expense, fiscal agent fees and amortization	4,324	4,810	(486)
Total Expenses	<u>12,016</u>	<u>10,911</u>	<u>1,105</u>
Changes in Net Position	30,803	25,034	5,769
Net Position - Beginning of fiscal year	<u>21,982</u>	<u>(3,052)</u>	<u>25,034</u>
Net Position - End of Fiscal Year	<u>\$ 52,785</u>	<u>\$ 21,982</u>	<u>\$ 30,803</u>

Capital contributions, which are comprised of regional connection fees, increased by \$4.0 million to \$29.2 million due to strong development activity. Interest revenue in fiscal year 2025 was \$2.9 million higher than 2024, as interest income increased due to higher interest rates and increased holdings of cash and investments.

Construction costs remained relatively low in 2025 at \$7.6 million compared to \$6.0 million in 2024. Personnel services and administrative costs decreased in 2025 due to fiscal year 2024 incurring professional services charges for the wastewater capacity fee study and reduced cost allocation plan charges in 2025.

CAPITAL ASSETS

As of June 30, 2025, the SPWA held no capital assets. Under the SPWA Fund Agreement, the members agreed that the City of Roseville will own and operate the regional wastewater facilities and that the other members will have an interest in the capacity of those facilities. Capital construction costs are transferred to the City of Roseville annually.

SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

DEBT ADMINISTRATION

The SPWA made all scheduled repayments of existing debt. In fiscal year 2024 the SPWA completed drawing on its State Revolving Fund loans for the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Projects. Each of the SPWA's debt issues is discussed in detail in Note 4 to the financial statements. As of June 30, 2025 the SPWA's debt portfolio comprised:

**Outstanding Debt
As of June 30, 2025 and 2024
(in thousands)**

	<u>2025</u>	<u>2024</u>	<u>Increase/ Decrease</u>
Revenue Bonds			
2017 Wastewater Revenue Bonds			
5%, due 11/1/2037	\$ 50,760	\$ 57,395	\$ (6,635)
Add: deferred bond premium	10,332	11,193	(861)
2020 Wastewater Revenue Bonds			
5%, due 11/1/2035	46,920	46,920	-
Add: deferred bond premium	10,710	11,781	(1,071)
Total Revenue Bonds	<u>118,722</u>	<u>127,289</u>	<u>(8,567)</u>
Direct Placement Debt			
2020 State Revolving Fund Loans			
1.3% Interest, due 7/3/2052	91,667	94,489	(2,822)
Direct placement debt total	<u>91,667</u>	<u>94,489</u>	<u>(2,822)</u>
Total	<u>\$210,389</u>	<u>\$221,778</u>	<u>\$ (11,389)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Development activity remains strong in most sectors, however single-family housing development continues at a normalized growth rate. The regional economy continues to face a number of headwinds, however inflation has eased and the federal government lowered interest rates in fiscal year 2025. Supply chain issues, from material sourcing to manufacturing to distribution, are becoming less severe. Labor shortages appear to be improving as recruitments attract more applicants.

Next Year's Budget

Estimated revenues are projected to slow for fiscal year 2025-26 at \$19.6 million for regional connection fees compared to fiscal year regional connection fees actuals for fiscal year 2024-25 of \$29.2 million. Budgeted expenses for fiscal year 2025-26 are \$15.6 million, a decrease of 29 percent compared to the fiscal year 2024-25 amended budget. The approved fiscal year 2025-26 budget incorporates costs for debt service of \$15.4 million and administrative costs of approximately \$222,000 including a \$50,000 contingency for unplanned expenses.

**SOUTH PLACER WASTEWATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

CONTACTING THE SPWA'S FINANCIAL MANAGEMENT

This financial report is intended to provide residents, businesses, customers, investors and creditors with a general overview of the SPWA's finances. Please direct any questions about this report to the City of Roseville Finance Department at 311 Vernon Street, Roseville, California, 95678, or to finance@roseville.ca.us.

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Net Position
June 30, 2025

Assets:

Current:

Cash and investments in City Treasury	\$ 220,499,904
Restricted investments with fiscal agent	43,152,372
Accounts receivable	226,241
Deferred connection fees receivable	1,057,493
Interest receivable	1,655,790

Total Current Assets 266,591,800

Total Assets \$ 266,591,800

Liabilities and Net Position:

Liabilities:

Current:

Accounts payable	\$ 1,338,735
Accrued liabilities	1,865,795
Arbitrage liability	213,734
Long-term debt due in one year	9,474,930

Total Current Liabilities 12,893,194

Noncurrent:

Long-term debt due in more than one year	200,913,614
--	-------------

Total Noncurrent Liabilities 200,913,614

Total Liabilities 213,806,808

Net Position:

Restricted for rate stabilization	220,252,364
Restricted for debt service	8,543,070
Unrestricted (deficit)	<u>(176,010,442)</u>

Total Net Position 52,784,992

Total Liabilities and Net Position \$ 266,591,800

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Year Ended June 30, 2025

Operating Revenues:	
Connection fees contributed by members	<u>\$ 29,150,063</u>
Total Operating Revenues	<u>29,150,063</u>
Operating Expenses:	
Construction costs	7,576,831
Personnel services and administration	<u>114,852</u>
Total Operating Expenses	<u>7,691,683</u>
Operating Income (Loss)	<u>21,458,380</u>
Nonoperating Revenues (Expenses):	
Interest revenue	13,669,053
Interest expense, fiscal agent fees and amortization	<u>(4,324,708)</u>
Total Nonoperating Revenues (Expenses)	<u>9,344,345</u>
Changes in Net Position	30,802,725
Net Position:	
Beginning of Fiscal Year	<u>21,982,267</u>
End of Fiscal Year	<u>\$ 52,784,992</u>

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows from Operating Activities:	
Receipts from members	\$ 29,231,943
Payments to contractors	(6,760,451)
Payments to City for personnel services and administration	(114,852)
	<hr/>
Net Cash Provided (Used) by Operating Activities	22,356,640
Cash Flows from Capital and Related Financing Activities:	
Principal paid on capital debt	(9,457,163)
Interest and debt service fees paid on capital debt	(6,248,483)
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,705,646)
Cash Flows from Investing Activities:	
Interest received	13,248,915
	<hr/>
Net Cash Provided (Used) by Investing Activities	13,248,915
Net Increase (Decrease) in Cash and Cash Equivalents	19,899,909
Cash and Cash Equivalents at Beginning of Year	243,752,367
	<hr/>
Cash and Cash Equivalents at End of Year	\$ 263,652,276
	<hr/>
Reconciliation of Cash and Investments to the Statement of Net Position	
Cash and investments in City Treasury	\$ 220,499,904
Restricted investments with fiscal agent	43,152,372
	<hr/>
Total cash and investments	\$ 263,652,276
	<hr/>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 21,458,380
	<hr/>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	704,287
(Increase) decrease in deferred connection fees receivable	(609,770)
Increase (decrease) in accounts payable	816,377
Increase (decrease) in deferred revenue	(12,634)
	<hr/>
Total Adjustments	898,260
Net Cash Provided (Used) by Operating Activities	\$ 22,356,640
	<hr/>
Non-Cash Investing, Capital, and Financing Activities:	
Change in arbitrage liability	\$ (81,603)
Amortization of bond premiums	1,931,988

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The South Placer Wastewater Authority (Authority) is a Joint Powers Agreement created in October 2000 to finance the construction of the Pleasant Grove Wastewater Treatment Plant and improvements to the Dry Creek Wastewater Treatment Plant, referred to collectively as the Regional Wastewater Facilities.

The members of the Authority are the City of Roseville (City), South Placer Municipal Utility District (SPMUD), and the County of Placer (County). The Authority's governing board is comprised of five directors as appointed by the member agencies. Two directors are appointed by the City, one director is appointed by SPMUD, and two directors are appointed by the County. Each representative of the governing board has one vote.

In addition, the members entered into a Funding Agreement and Operations Agreement to provide for the funding and operation of the Regional Wastewater Facilities. Under the Funding Agreement the members agreed that the City will own and operate the Regional Wastewater Facilities and that the other members will have an interest in the capacity of those facilities. Capital construction costs are transferred to the City annually.

The members of the Authority amended the Joint Powers Authority Agreement and also entered into an Amended and Restated Funding Agreement and a Reallocation and Repayment Agreement effective January 31, 2019. The Amended and Restated Funding Agreement retroactively changed the proportionate shares of each member for cost allocations as follows:

1. The City from 61.66% to 64.57%
2. SPMUD from 22.43% to 21.95%
3. The County from 15.91% to 13.48%

The intent of the Amended and Restated Funding Agreement is that, notwithstanding short-term variances in the respective member contributions of Regional Connection Fees or other funds, the members' total respective financial contributions to capital costs (whether financed by Bonds, funded by Regional Connection Fees, or other sources) should be directly proportional to the members' respective actual usage of the wastewater treatment capacity made available by the construction of Regional Wastewater Facilities.

Members contribute connection fees they collect from developers. These connection fees are expected to be sufficient to fund the entire cost of the debt service on the Plant's construction, including principal and interest. These contributions are made monthly.

The Authority may not be terminated, and no member agency may withdraw its membership, until all bonds or other indebtedness issued by the Authority have been paid in full.

The Authority has no employees and substantially all staff services are performed by the City's personnel. Costs incurred by the City to provide such services are reimbursed by the Authority. The accounting records of the Authority are maintained by the City.

The Authority is considered to be a separate legal entity and is not a component unit of the above members.

B. Basis of Presentation

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position display information about the Authority. These statements include the financial activities of the Authority overall. Eliminations have been made to minimize the double counting of internal activities. These statements display the business-type activities of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Revenues, Expenses and Changes in Net Position presents operating revenues and expenses and non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenue for the Authority is connection fees contributed by members. Operating expenses include the costs of personnel services and administration and construction costs of assets contributed to the City. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Basis of Accounting

The Authority is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets, all liabilities and all deferred inflows/outflows of resources of the enterprise are recorded on its statement of net position and, under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

The Authority has one fund which is used to pay all administrative, operating, construction and other expenses incurred by the Authority, and to account for member contributions and charges.

D. Cash and Cash Equivalents

All cash and investments are held either in the City's investment pool or by a fiscal agent. For purposes of the statement of cash flows, the Authority considers the cash and investment balance to be cash and cash equivalents.

E. Fair Value Measurement

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 3 inputs.

The Authority is a participant in the City-wide cash and investment pool (City Pool). The City Pool is an external investment pool, is not rated, and is not registered with the Securities Exchange Commission (SEC). The City's Assistant City Manager/Chief Financial Officer conducts City Pool oversight. Cash on deposit in the City Pool at June 30, 2025, is stated at fair value. The City Pool values participant shares on an amortized cost basis during

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the year and adjusts to fair value at year-end. The fair value adjustment at June 30, 2025 decreased the Authority's investment income by \$4,458,852. For further information regarding the City Pool, refer to the City of Roseville Annual Comprehensive Financial Report.

F. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. The Authority's net position is divided into two segments, restricted and unrestricted.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. At June 30, 2025, restrictions included:

- Restricted for rate stabilization represents the portion of net position restricted for future use in the event development fees are not adequate to meet the required ratio of revenue to expenses required under bond indentures.
- Restricted for debt service represents the portion of net position held in reserve in the event other resources of the Authority are not adequate to make required debt service payments.

Unrestricted describes the portion of net position which is not legally or contractually restricted as to use.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

The Authority pools cash from all sources and all funds except cash with fiscal agents in the City's investment pool. The Authority's cash and investments balance held in the City's investment pool at June 30, 2025 is \$220,499,904. The City's investment pool is not rated and is not registered with the Securities Exchange Commission (SEC). The Authority's position in the City's investment pool at June 30, 2025 is stated at fair value. For further information regarding the City's investment pool, refer to the City of Roseville Annual Comprehensive Financial Report.

A. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agreements.

Investments in the City's Treasury	\$ 220,499,904
Restricted investments with fiscal agent	43,152,372
Total investments	<u>\$ 263,652,276</u>

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by the California Government Code and the Authority's Investment Policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 Years	None	No Limit	No Limit
U.S. Agency Securities	5 Years	None	No Limit	No Limit
Forward Delivery Agreements	N/A	A	None	None
State of California or California Local Agency Bonds	5 Years	None	No Limit	No Limit
Registered State Treasury Notes or Bonds of the other 49 States	5 Years	None	No Limit	No Limit
Repurchase Agreements	30 Days	None	No Limit	No Limit
Bankers' Acceptances	180 Days	None	40%	30%
Commercial Paper	270 Days	A-1	40%	10%
Medium-Term Notes	5 Years	A	30%	10%
Collateralized Time Deposits	5 Years	None	30%	No Limit
Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	None	No Limit	LAIF Limit
Insured Saving Accounts	N/A	None	No Limit	No Limit
Money Market Mutual Funds	N/A	(a)	20%	10%
Shares in a California Common Law Trust	N/A	None	No Limit	No Limit
Interest Rate Swaps	N/A	None	No Limit	No Limit
City of Roseville Pooled Investment Fund	N/A	None	No Limit	No Limit
Supranationals	5 Years	AA-	30%	No Limit
Mortgage Pass-Through Securities	5 Years	AA	20%	No Limit

(a) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of \$500,000,000.

C. Investments Authorized by Debt Agreements

The Authority must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Authority ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	None
U.S. Agency Securities	N/A	None
Certificates of Deposit	N/A - 30 days	None to A-1
Time Deposits	N/A - 30 days	None to A-1
Repurchase Agreements	N/A - 30 days	None to A
Bankers' Acceptance	N/A - 270 days	None to A-1
Money Market Funds	N/A	None to Aam-G
Taxable Governmental Money	N/A	None
Commercial Paper	180 - 270 days	A-1 to AA
Special Revenue Bonds	N/A	AA
Pre-refunded Municipal Obligations	N/A	AAA
Municipal Obligations	N/A	AAA
Common Law Trust	N/A	None
California Asset Management Pool (CAMP)	N/A	None
Lawful Investments	N/A	None
Investment Agreements	N/A	A+ to AA
Local Agency Investment Fund (LAIF)	N/A	None
Placer County Investment Pool	N/A	None
Supranationals	N/A	None
Mortgage Pass - Through Securities	N/A	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity or earliest call date:

	Remaining Maturity			Total
	12 months or less	13 to 24 months	25 to 60 months	
Corporate Bonds and Notes	\$ 12,894,180	\$ 33,965,640	\$ 15,789,368	\$ 62,649,188
Federal Agency Securities	6,915,830	73,348,378	20,686,944	100,951,152
Municipal Bonds	-	16,388,356	-	16,388,356
Money Market Mutual Funds	47,801,145	-	-	47,801,145
City of Roseville Investment Pool	10,819,672	-	-	10,819,672
Local Agency Investment Fund	20,024,725	-	-	20,024,725
Supranationals	-	3,010,218	-	3,010,218
U.S. Treasury Obligations	-	2,007,820	-	2,007,820
Total Investments	\$ 98,455,552	\$ 128,720,412	\$ 36,476,312	\$ 263,652,276

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments had an average maturity of 248 days.

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2025, for each investment type as provided by Standard and Poor's investment rating system:

	AAA/AAAm	A+/A/A-	AA+/AA/AA-	BBB	Total
Investments:					
Corporate Bonds and Notes	\$ -	\$ 36,179,998	\$ 24,509,770	\$ 1,959,420	\$ 62,649,188
Federal Agency Securities	-	-	94,124,944	-	94,124,944
Municipal Bonds	1,806,471	-	11,944,083	-	13,750,554
Supranationals	3,010,218	-	-	-	3,010,218
Totals	\$ 4,816,689	\$ 36,179,998	\$130,578,797	\$ 1,959,420	173,534,904
Not Rated:					
City of Roseville Investment Pool					10,819,672
Local Agency Investment Fund					20,024,725
Money Market Mutual Funds					47,801,145
Federal Agency Securities					6,826,208
Municipal Bonds					2,637,802
U.S. Treasury Obligations					2,007,820
Total investments					\$ 263,652,276

F. Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2025:

Issuer	Investment Type	Amount	% of portfolio
Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$ 14,109,037	5.35%
Federal Farm Credit Banks	Federal Agency Securities	46,124,944	17.49%
Federal Home Loan Banks	Federal Agency Securities	35,868,783	13.60%

G. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2025:

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments at Fair Value	Amount	Quoted Prices In Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 100,951,152	\$ -	\$ 100,951,152	\$ -
U.S. Treasury Obligations	2,007,820	-	2,007,820	-
Corporate Bonds and Notes	62,649,188	-	62,649,188	-
Municipal Bonds	16,388,356	-	16,388,356	-
Money Market Mutual Funds	47,801,145	47,801,145	-	-
Categorized Investments	<u>229,797,661</u>	<u>\$ 47,801,145</u>	<u>\$ 181,996,516</u>	<u>\$ -</u>

Investments with Uncategorized Inputs

Local Agency Investment Fund	20,024,725
City of Roseville Investment Pool	10,819,672
Supranationals	3,010,218
Total Investments	<u>\$ 263,652,276</u>

NOTE 3: CAPITAL ASSETS CONTRIBUTED TO THE CITY OF ROSEVILLE

Capital construction costs incurred by the Authority are transferred annually, in the form of construction in progress, to the City of Roseville, which owns and operates the Regional Wastewater Facilities. Capital construction costs of the Authority, as defined by the Funding Agreement, include personnel services and administration and construction costs. Construction costs include interest on construction financing costs, net of interest income on unexpended bond proceeds. Since the Regional Wastewater Facilities construction project was accepted as complete at the end of fiscal year 2004-2005, the debt service and interest income on unexpended bond proceeds are no longer a component of the capital construction costs of the Authority.

Costs incurred by the Authority in fiscal year 2025 totaling \$6,165,917 were transferred as construction in progress to the City of Roseville as of June 30, 2025.

NOTE 4: LONG-TERM DEBT

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Current Portion
Revenue Bonds:						
2017 Wastewater Revenue Bonds						
5%, due 11/1/2037	\$ 74,780,000	\$ 57,395,000	\$ -	\$ (6,635,000)	\$ 50,760,000	\$ 6,710,000
Add: bond premium	17,220,595	11,193,388	-	(861,030)	10,332,358	-
2020 Wastewater Revenue Bonds						
5%, due 11/1/2035	46,920,000	46,920,000	-	-	46,920,000	-
Add: bond premium	16,064,362	11,780,531	-	(1,070,958)	10,709,573	-
Total revenue bonds	<u>154,984,957</u>	<u>127,288,919</u>	<u>-</u>	<u>(8,566,988)</u>	<u>118,721,931</u>	<u>6,710,000</u>
Direct placement debt						
2020 SRF Loans						
1.30% Interest, due 7/3/2052	103,040,170	94,488,776	-	(2,822,163)	91,666,613	2,764,930
Direct placement debt total	<u>103,040,170</u>	<u>94,488,776</u>	<u>-</u>	<u>(2,822,163)</u>	<u>91,666,613</u>	<u>2,764,930</u>
Total	<u>\$ 258,025,127</u>	<u>\$ 221,777,695</u>	<u>\$ -</u>	<u>\$ (11,389,151)</u>	<u>\$ 210,388,544</u>	<u>\$ 9,474,930</u>

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 4: LONG-TERM DEBT (CONTINUED)

B. Public Debt

2017 South Placer Wastewater Authority Refunding Revenue Bonds

On September 28, 2017, the South Placer Wastewater Authority issued the Wastewater Revenue bonds, Series 2017 in the amount of \$74,780,000.

The 2017 Bonds were issued for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem a portion of the Authority's Wastewater Revenue Refunding Bonds, Series 2011C (the "Series 2011C Bonds") and all of the Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) fund a deposit to the Parity Reserve Fund, and (iv) pay costs of issuance of the Series 2017 Bonds.

The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2021 through 2037. The balance outstanding as of June 30, 2025 is \$50,760,000.

South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series 2020

On April 28, 2020, the South Placer Wastewater Authority issued Revenue Bonds, Series 2020 in the amount of \$46,920,000 to redeem the Authority's Wastewater Revenue Refunding Bonds, Series 2013 outstanding. The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2029 through 2035. The balance outstanding as of June 30, 2025 is \$46,920,000.

As of June 30, 2025, the total principal and interest remaining to be paid on the 2017 Bonds and the 2020 Bonds was \$97,680,000 in principal and \$33,875,000 in interest. As disclosed in the Indenture, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, however the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. As discussed in Note 1A, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share.

C. Direct Placement Debt

2020 SRF Loans

In June 2020, the City entered into loan agreements with the State Water Resources Control Board to secure funding for the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery projects in the form of loans from the Clean Water State Revolving Fund. The loans were approved for up to \$108,021,755, and the City drew \$103,040,170 from the loans. Through an agreement with South Placer Wastewater Authority, the City's loan draws were passed through to the Authority as reimbursement for costs of the two projects and the Authority pays the City the debt service costs of the loans. The loans bear interest at the rate of 1.30% and are payable in 30 annual payments beginning in 2024. The amount outstanding as of June 30, 2025 is \$91,666,613.

D. Debt Service Requirements

Annual debt service requirements, using interest rates as of June 30, 2025, are shown below for all long-term debt:

SOUTH PLACER WASTEWATER AUTHORITY
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 4: LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Revenue Bonds		Direct Placement Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 6,710,000	\$ 4,716,250	\$ 2,764,930	\$ 1,243,779	\$ 9,474,930	\$ 5,960,029
2027	7,055,000	4,372,125	2,800,874	1,207,835	9,855,874	5,579,960
2028	7,415,000	4,010,375	2,837,285	1,171,424	10,252,285	5,181,799
2029	7,800,000	3,630,000	2,874,170	1,134,539	10,674,170	4,764,539
2030	5,950,000	3,286,250	2,911,534	1,097,175	8,861,534	4,383,425
2031-2035	34,345,000	11,641,125	15,135,358	4,908,187	49,480,358	16,549,312
2036-2040	28,405,000	2,218,875	16,145,070	3,898,476	44,550,070	6,117,351
2041-2045	-	-	17,222,141	2,821,404	17,222,141	2,821,404
2046-2050	-	-	18,371,067	1,672,479	18,371,067	1,672,479
2051-2055	-	-	10,604,184	459,419	10,604,184	459,419
Totals	97,680,000	\$ 33,875,000	91,666,613	\$ 19,614,717	189,346,613	\$ 53,489,717
Reconciliation of long-term debt						
Add bond premium	21,041,931		-		21,041,931	
Net long-term debt	\$ 118,721,931		\$ 91,666,613		\$ 210,388,544	

NOTE 5: RISK MANAGEMENT

The Authority has purchased commercial insurance for general, property and public officials' liability. During the fiscal year ended June 30, 2025, the Authority paid \$27,040 for current year coverage.

The following types of loss risks are covered by the above commercial insurance policies as follows:

Type of Coverage	Coverage Limit	Deductible
Personal Injury, Including Bodily		
Injury and Property Damage	\$ 1,000,000	\$ 2,500
Automobile Liability	1,000,000	2,500
Public Officials Errors and Omissions	1,000,000	2,500
Employment Practices Liability	1,000,000	10,000
Crime Bond	10,000,000	2,500

The Authority has not had any claims that exceeded coverage in the past 3 years.

NOTE 6: COMMITMENTS AND CONTINGENT LIABILITIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

NOTE 7: SUBSEQUENT EVENT

The City of Roseville received a one-time clean energy tax credit payment, primarily for improvements at the Pleasant Grove Wastewater Treatment Plant, in November 2025 totaling \$31,247,747 from the federal government provided by the Inflation Reduction Act. Under the terms of the City's 2020 SRF Loan, the amount collected must be used to repay the state loan program. And, under the City's loan agreement with SPWA, whereby SPWA pays the City the debt service costs of the 2020 SRF loan, SPWA's loan payable to the City will be reduced correspondingly.

SUPPLEMENTARY INFORMATION

SOUTH PLACER WASTEWATER AUTHORITY (SPWA)
Analysis of Rate Stabilization Restricted Net Position
For the Year Ended June 30, 2025

	<u>City of Roseville</u>	<u>South Placer Municipal Utility District</u>	<u>Placer County</u>	<u>Totals</u>
Changes July 1, 2024 to June 30, 2025				
Revenues:				
Regional connection fees	\$ 22,741,777	\$ 2,802,601	\$ 3,605,685	\$ 29,150,063
Deferred connection fees interest - Placer County	-	-	28,241	28,241
Debt proceeds	3,839,077	1,305,060	801,468	5,945,605
Expenses:				
Capital costs	(4,892,360)	(1,663,114)	(1,021,357)	(7,576,831)
Debt service	(10,140,975)	(3,447,335)	(2,117,088)	(15,705,398)
Administrative costs	(74,160)	(25,210)	(15,482)	(114,852)
Increase/(Decrease) in RSF Balances	11,473,359	(1,027,998)	1,281,467	11,726,828
Beginning Balance, as of July 1, 2024	120,996,609	70,054,903	10,442,882	201,494,394
Ending Balance Before Interest Allocation	132,469,968	69,026,905	11,724,349	213,221,222
Interest allocation	4,297,434	2,358,245	375,463	7,031,142
Ending Balance, as of June 30, 2025	\$ 136,767,402	\$ 71,385,150	\$ 12,099,812	\$ 220,252,364

	<u>Net Position of</u>	
	<u>Bond Proceeds/Other</u>	<u>Member Contributions</u>
Investments in City of Roseville Treasury	\$ -	\$ 220,499,904
Unrealized gains / losses on investments	1,634,595	(1,634,595)
Restricted investments with fiscal agent	43,152,372	-
Accounts receivable	-	226,241
Deferred connection fees receivable - Placer County	-	1,057,493
Accrued interest receivable	-	1,655,790
Accounts payable	-	(1,338,735)
Accrued liabilities	(1,865,795)	-
Arbitrage liability	-	(213,734)
Long-term debt:		
Due in one year	(9,474,930)	-
Due in more than one year	(200,913,614)	-
Net Position (Deficit)	\$ (167,467,372)	\$ 220,252,364



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South Placer Wastewater Authority (hereafter, the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 21, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Sacramento, California
January 21, 2026



January 21, 2026

To the Board of Directors
South Placer Wastewater Authority
Roseville, California

We have audited the financial statements of the South Placer Wastewater Authority (hereafter, the Authority) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024-2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no misstatements were identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 21, 2026.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, , which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the rate stabilization restricted net position which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years’ audits and should be reviewed for proper implementation by management:

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Subsequent Events*.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

LSL, LLP

Sacramento, California

AGENDA
ITEM D
CONNECTION FEE
PROG. REPORT



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: 1/16/2026

FROM: Executive Director's Office

AUTHORITY COMMUNICATION NO.: AC 26-04

SUBJECT: Connection Fee Program Report

For SPWA Board Meeting 2/4/2026

ACTION REQUESTED

This staff report is for information only. No action is requested.

BACKGROUND

The attached report, prepared by Lance, Soll & Lunghard, LLP evaluates how the South Placer Wastewater Authority (Authority) and its member agencies complied with the "Funding Agreement" from July 2024 through June 2025. Payments from Placer County, Roseville, and South Placer Municipal Utility District were tested for the referenced time period.

The following table summarizes the total connection fees collected and the associated equivalent dwelling units (EDUs) from July 2024 through June 2025.

	City	District	County
Gross Regional Connection Fees	\$ 22,741,777	\$ 2,802,601	\$ 3,605,685
EDUs for Gross Regional Connection Fees	2,320	286	456

Actual EDUs developed in FY24-25 are approximately 113% of the EDUs estimated from the 2024 capacity fee study, and total EDUs developed since the original funding of the bonds are approximately 104% of the estimated EDUs. The estimated and actual number of EDUs are summarized below.

Jurisdiction	FY 2024-2025		Total through 2024-2025	
	Estimated EDUs	Actual EDUs	Estimated EDUs	Actual EDUs
Roseville	1,763	2,320	30,217	41,285
South Placer Municipal Utilities District	342	286	16,304	16,553
Placer County	596	456	14,324	5,654
Total	2,701	3,062	60,845	63,492

Submitted by:

Archana Wagley

Archana Wagley
EU Business Services Manager

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2026.01.28 11:41:45
-08'00'

Dennis Kauffman
Chief Financial Officer



Sean Bigley
Executive Director



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

To the Board of Directors of the
South Placer Wastewater Authority
Roseville, California

We have performed the procedures enumerated below on the Regional Connection Fees collected by the City of Roseville (City), County of Placer (County), and the South Placer Municipal Utility District (District), and the allocation of these fees and compliance with the Amended and Restate Funding Agreement (Funding Agreement) for the year ended June 30, 2025. The Authority's management is responsible for the collection of fees and for compliance with the Funding Agreement. The sufficiency of these procedures is solely the responsibility of the Authority. Consequently, we make no representation regarding the sufficiency of the procedures referred to below either for the purpose for which this report has been required or for any other purpose.

The South Placer Wastewater Authority (Authority) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing the regional connection fees collected and the allocation of these fees and compliance with the Amended and Restated Funding Agreement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Determine whether the roster of the Authority's Board of Directors is in accordance with section 7 (a) of the JPA Agreement.

Findings – Section 7(a) of the JPA Agreement states that "The Authority shall be administered by a board of directors (Board) consisting of five directors. Two directors shall be appointed by the City, one director shall be appointed by the District, and two directors shall be appointed by the County. One County-appointed director shall be a member of the County Board of Supervisors and must represent a supervisorial district which includes all or a portion of the City; such County-appointed director shall be selected annually by the County Board of Supervisors and shall be subject to confirmation by the Roseville City Council."

For the fiscal year ended June 30, 2025, the Board consisted of the following individuals:

Pauline Roccucci, Chair, Director – Roseville City Council Member, District 2
Anthony DeMattei, Vice Chair, Director – Placer County Supervisor, District 3
Bonnie Gore, Director – Placer County Supervisor, District 1
Karen Alvord, Director – Roseville City Vice Mayor / Council Member District 5
William Dickinson, Director - SPMUD Board Member, Ward 2

No exceptions were found as a result of this procedure.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

2. Determine that the Board of Directors holds meetings in accordance with section 7 (b) of the JPA Agreement.

Findings – Section (b) of the JPA Agreement established that the Authority Board shall meet semi-annually and additionally as needed. Meetings held are open to the public and held at 2005 Hilltop Circle, Roseville, which is within the jurisdiction of the Authority.

Minutes to all meetings are available on the Authority's website.

No exceptions were found as a noted as a result of this procedure.

3. Determine that the Authority handles the following fiscal matters, as listed below, in accordance with section 7 (d) of the JPA Agreement:
 - a. (1) Chief Financial Officer
 - b. (2) Custodian of Property
 - c. (3) Accounts and Reports
 - d. (4) Budgets
 - e. (5) Contributions

Findings – The Authority has designated the Assistant City Manager/Chief Financial Officer of the City as the Chief Financial Officer. The City acts as the custodian of Authority property and tracks the records of the Authority within its general ledger in a separate fund. The Board adopted the budget for fiscal year 2025 through resolution 2024-13 on June 27, 2024. The Participants have paid contributions to the Authority as specified in the Funding Agreement.

4. Inspect (4) monthly payments made to the City by the County and the District and 21 payments made to the City from developers for Regional Connection Fees to ensure they are in compliance with the following sections of the Restated and Amended Funding Agreement related to the Second Amended and Restated South Placer Regional Wastewater Facilities (Amended Funding Agreement) dated January 8, 2019 and the Amended and Restated Joint Exercise of Powers Agreement (Amended JPA Agreement) dated January 31, 2019:
 - a. (3) Term and Termination
 - b. (4) Responsibilities of the City of Roseville
 - c. (5) Capacity Usage
 - d. (6) Issuance of Bonds by the Authority, Bond Provisions
 - e. (7) Pledge and Application of Participant Revenues
 - f. (8) Rate Covenant
 - g. (9) Rate Stabilization Fund
 - h. (10) Regional Connection Fees
 - i. (11) Participant Parity Obligations Secured by Participant Net Revenues
 - j. (12) Determination of Participants' Proportionate Shares
 - k. (13) Covenants of the Participants
 - l. (14) Amendments; Expiration of Certain Provisions

Findings – We inspected four monthly payments made to the City by the County and the District and 21 payments made to the City from developers for Regional Connections Fees to ensure they were in compliance with the sections of the Funding Agreement and the JPA Agreement listed above.



To the Board of Directors
 South Placer Wastewater Authority
 Roseville, California

Section 10.D.1 of the Funding Agreement states that payments should be remitted by the 15th day of the subsequent month.

No exceptions were found as a noted as a result of this procedure.

- Recalculate the payments inspected in procedure 4 to determine mathematical accuracy.

Findings – We recalculated the four payments made to the City from the County and the District and 21 payments made to the City from developers tested in procedure 4 for mathematical accuracy.

No exceptions were found as a noted as a result of this procedure.

- Recalculate the monthly equivalent dwelling units (EDU) included in the remittance summaries for the payments inspected in procedure 4 to determine mathematical accuracy.

Findings – We recalculated the EDUs included in the remittance summaries for the four payments made to the City from the County and the District and 21 payments made to the City from developers tested in Procedure 4 for mathematical accuracy.

No exceptions were found as a noted as a result of this procedure.

- Recalculate the monthly summary reports of Regional Connection Fees transmitted by the participants for the year ended June 30, 2025.

Findings – We obtained the four monthly summary reports selected in Procedure 4 for each Regional Partner and compared them to the underlying records for each Regional Partner. We recalculated the monthly summary reports.

No exceptions were found as a noted as a result of this procedure.

- Calculate and report the connection fees and EDUs for the County, District, and City as of and for the year ended June 30, 2025.

Findings – We recalculated each Regional Partner's connection fees and EDUs for the year ended June 30, 2025 as follows:

July 1, 2024 to June 30, 2025	City	District	County
Gross Regional Connection Fees	\$22,741,777	\$2,802,601	\$3,605,685
EDUs for Gross Regional Connection Fees	2,320	286	456

No exceptions were found as a noted as a result of this procedure.

- Recalculate the deferred connection fees receivable and interest receivable on deferred connection fees for the County, SPMUD, and City as of June 30, 2025.

Findings – Per our testing, only the County has deferred connection fees. No exceptions were found as a result of this procedure.



To the Board of Directors
South Placer Wastewater Authority
Roseville, California

We were engaged by the South Placer Wastewater Authority (SPWA) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the regional connection fees collected and the allocation of these fees and compliance with the Amended and Restated Funding Agreement as of June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the SPWA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

LSL, LLP

Irvine, California
January 12, 2026

AGENDA
ITEMS

PROJ. UPDATE
AND FINANCIAL SUM.

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 21, 2026
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility
Manager **AUTHORITY COMMUNICATION NO.: AC 26-05**

SUBJECT: Project Update and Financial Summary

For SPWA Board Meeting February 4, 2026

ACTION REQUESTED

This item is for information purposes only.

BACKGROUND

Below is a summary of the progress and financial status of the on-going SPWA projects.

CIPs Update

There is a total of 13 open SPWA projects. Below is a summary of progress for each below:

- **Pleasant Grove Wastewater Treatment Plant UV Disinfection System Addition Project**
 - The project is complete, and the remaining budget will be transferred back into the SPWA fund.
- **PGWWTP Expansion and Energy Recovery Project**
 - Work is underway on installing canopies to protect temperature-sensitive equipment, with procurement and installation anticipated by June 2026.
 - EPA approved the City's BRRR (Biogas RIN Revenue Redistribution) registration which now enables the City to generate and claim RIN credits. An agreement RINs broker to allow the City to sell the RIN credits is also in route to the City Council for approval.
 - This project is projected to be closed by October 15, 2026.
- **Inflation Reduction Act Support Project**
 - In November 2025, the City received investment tax credit payment in the amount of \$31,237,247.49. The tax return requested \$29,360,188 equal to 30-percent of eligible project costs, and the payment included \$1,914,570.20 in interest for a total payment of \$31,237,247. Combined with \$4,000,000 in loan forgiveness from the State Water Resources Control Board, the \$3,000,000 grant from the California Energy Commission and the \$180,000 grant from the Placer County Air Pollution Control District, the City secured

\$38,454,747 in external funding, offsetting more than 33% of the total project budget of \$114,662,183.

- The project will be closed out once the required payment to the State Water Resources Control Board (SWRCB) is made as the loan agreements require that we pay the SWRCB any refunds we receive that were paid for with the loans. The SWRCB is still looking into how they want the payment sent and what documentation is required.
- **Dry Creek and Pleasant Grove WWTP Capacity Evaluations**
 - This project supports capacity planning to ensure treatment plants can meet near- and long-term needs based on anticipated SPWA partner growth. \
 - The draft capacity evaluation plans for the two treatment plants are expected in February and March.
 - The final capacity evaluation plans are expected in April and May.
 - The City plans to present the results to the partners in May 2026, and to the SPWA Board in June 2026.
- **Pump Station 26 and Force Main Capacity Improvements**
 - The project is complete, and the remaining budget will be transferred back into the SPWA fund.
- **PGWWTP Maintenance Administration and Shop Building**
 - The 60% design is under review.
 - Tenant improvements to expand the laboratory within the existing Operations Building is complete.
 - The project will use a design assist construction delivery method and procurement of the contractor is expected in Summer 2026.
- **DCWWTP Capacity Expansion**
 - To manage schedule risk and support timely delivery, the project has been divided into two packages, A and B. Package A advances improvements for Aeration Basins 300 and 400 to match the 2019 upgrades completed for Basins 100 and 200. Package B will follow with improvements for Aeration Basins 500 through 800, including blower, flow split, and electrical upgrades.
 - Package A 60% design and review workshop are complete.
 - Package B preliminary design report including a 10% design is in progress with expected submittal in April 2026.

- The project will be delivered through a design-assist approach, with contractor procurement expected mid-2026. Package A remains on schedule for completion by the end of 2027, followed by Package B by the end of 2028.
- **PGWWTP Electrical Expansion**
 - The 60% design has been completed, and the City is reviewing this submittal.
 - This design assist project remains on schedule to initiate contractor and construction manager procurement by June 2026, and construction is anticipated to begin by the end of 2026.
 - Procurement of major equipment, including generators, switchgear, and pad-mounted switches, is expected to take approximately two years, with delivery anticipated by the end of 2028.
- **Residential EDU Evaluation**
 - The project is complete, and the remaining budget will be transferred back into the SPWA fund.
- **Dry Creek Operations and Lab Building**
 - Construction is in progress. Building slabs and below ground utilities are nearly complete with vertical construction just beginning.
 - Construction is on track to be completed for move-in by the end of 2026, followed by demolition of the old Operations Building in spring 2027.
- **Corridors Trunk Sewer Capacity Improvements**
 - The design consultant is under contract and gathering field data for the preliminary design.
 - The project is on track to begin construction in March 2027.
- **Other Projects**
 - The following projects are anticipated to go through consultant procurement by the end of June 2026:
 - 2025 Wastewater Systems Evaluation
 - DCWWTP Electrical Capacity Assessment

Projects Financial Summary

A financial summary of current approved projects funded by the SPWA is attached.

Submitted by:

Tracie R. Mueller

Tracie R. Mueller
Wastewater Utility Manager, City of Roseville

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2026.01.28 11:42:32
-08'00'

Dennis Kauffman
Chief Financial Officer

SBigley

Sean Bigley
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY
Project Budget and Actuals

Report Date: 1/21/2026

Project Type	Project	Total Approved Budget (\$)	Total Spent (\$)	Remaining Budget (\$)
Capital Project	PGWWTP UV Disinfection System Addition Project	7,270,000	6,062,471	1,207,529
Capital Project	PGWWTP Expanion and Energy Recovery Project	114,662,183	111,408,310	3,253,874
Non-Capital Project	Dry Creek and Pleasant Grove WWTP Capacity Evaluation	1,671,502	1,394,201	277,301
Capital Project	Regional Pump Station 26 and Force Main Capacity Improvement	4,900,000	4,611,620	288,380
Capital Project	PGWWTP Maintenance Admin and Shop Building	34,200,000	929,654	33,270,346
Capital Project	DCWWTP Capacity Expansion	16,725,000	921,248	15,803,752
Capital Project	PGWWTP Electrical Capacity Expansion Project ¹	6,000,000	1,399,913	4,600,087
Non-Capital Project	Residential Equivalent Dwelling Unit (EDU) Evaluation	250,000	44,657	205,343
Capital Project	Corridors Trunk Sewer Capacity Improvements Project	5,400,000	44,379	5,355,621
Capital Project	DCWWTP Operations and Laboratory Building Construction Project	14,854,000	996,334	13,857,666
Non-Capital Project	Inflation Reduction Act Support Project	100,000	28,980	71,020
Non-Capital Project	2025 Wastewater Systems Evaluation Update	500,000	2,555	497,445
Non-Capital Project	DCWWTP Electrical Capacity Assessment	600,000	-	600,000
Total Approved and Active SPWA CIP Projects		207,132,685	127,844,322	79,288,363

Notes:

1. Projected total cost for the PGWWTP Electrical Capacity Expansion Project is approximately \$36,000,000.

AGENDA
ITEM #

MODIFY THE AUTHORITY'S
SERVICE AREA BOUNDARY



AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 20, 2025
Board of Directors

FROM: Tracie Mueller, City of Roseville Wastewater Utility

Manager AUTHORITY COMMUNICATION NO.: AC 26-06

SUBJECT: 2025 SPWA Service Area Boundary Modification – Newcastle Sanitation District Annexation from 2009 and Ultimate Service Boundary Clarification

For SPWA Board Meeting February 4, 2026

ACTION REQUESTED

Staff requests that the South Placer Wastewater (SPWA) Authority Board approve a resolution to:

1. Make responsible agency findings regarding: (a) consideration of the Mitigated Negative Declaration and Notice of Determination prepared for the Newcastle Sanitary District closure of its wastewater treatment plant and pipeline construction to convey wastewater through South Placer Municipal Utility District (SPMUD) to the Dry Creek Wastewater Treatment Plant (DCWWTP); (b) Modifying the SPWA Service Area Boundary to include the Newcastle Sanitary District Boundary, and
2. Approve a modification to the Authority's 2025 Service Area Boundary (SAB) to include the Newcastle Sanitary District boundary as shown in Exhibit A.

BACKGROUND

At the April 24, 2025, South Placer Wastewater Authority (SPWA) Board meeting, the SPWA Board approved a modification to the 2021 SPWA Service Area Boundary outlined in Authority Communication No. AC 25-11. In this modification, three areas located in Placer County's service area were added to the 2021 SPWA Service Area Boundary in what is now identified as the 2025 SPWA Service Area Boundary.

To adjust the SPWA Service Area Boundary (SAB), California Environmental Quality Act (CEQA) requirements must be addressed. In general, the CEQA process is initiated by the local jurisdiction. The Local Lead Agency is the first agency to take discretionary action relating to the approval of a proposed project. As a result, they serve as the CEQA Lead Agency and be responsible for the first tier of the CEQA document for the project. SPWA serves as a funding and financing authority for the construction of Regional Wastewater Facilities. In doing so, the SPWA acts as a CEQA "Responsible Agency". As a Responsible Agency, SPWA relies on the CEQA documentation prepared by the Local Lead Agencies when taking discretionary actions related to funding or financing. SPWA does not act as a Lead Agency.

In 2009 the Newcastle Sanitary District acted as the Local Lead Agency for the Newcastle Sanitary District Wastewater Treatment Plant closure and pipeline construction to convey wastewater generated within the sanitary district boundaries across SPMUD and to the DCWWTP. The Mitigated Negative Declaration (State Clearinghouse #2008112083) was

certified by the Placer County Board of Supervisors on March 11, 2009 (included as Exhibit C) and fulfills Placer County's and SPWA's CEQA obligations for the requested SAB modification. The old Newcastle Sanitary District area to be included in the proposed SAB modification is shown on Exhibit A (mapped area is based on data included in Exhibit D). The resulting service area, including proposed modification and the clarification discussed below, will be identified as the 2026 Service Area Boundary in the future which is included as Exhibit B.

As a part of the graphic representation of the active SPWA Service Area Boundary, the ultimate service area (USA) boundary is shown as well. This ultimate service area boundary is utilized in the SPWA System Evaluations to project ultimate build out flows from each SPWA Participant and for each of the two wastewater treatment plants. In the adopted 2025 SPWA Service Area Boundary maps from the April 2025 meeting, there were three areas within the South Placer Municipal Utilities District's (SPMUD) ultimate service area that were not clearly marked as part of the SPWA Ultimate Service Area Boundary. These three USAs are identified in Exhibit A for illustration purposes.

The USAs indicated in Exhibit A are a part of the SPMUD ultimate service area and within the SPWA Ultimate Service Area Boundary and were included in the most recent South Placer Regional Wastewater 2020 Systems Evaluation Report (Woodard & Curran, 2020), as well as prior SPWA Systems Evaluations.

This clarification does not change the SPWA Service Area Boundary. In the future, adding these three USAs shown in Figure A as well as any other portion of the areas shown outside 2026 SPWA Service Area Boundary but within the ultimate service area boundary into the SPWA Service Area Boundary will require addressing the requirements of the California Environmental Quality Act (CEQA) and SPWA's responsibility as a CEQA "Responsible Agency".

Submitted by:

Tracie R. Mueller

Tracie R. Mueller
City of Roseville Wastewater Utility Manager

Approved by:

Dennis Kauffman

Digitally signed by Dennis
Kauffman
Date: 2026.01.28 11:22:56 -08'00'

Dennis Kauffman
Chief Financial Officer

SA Bigley

Sean Bigley
Executive Director

Exhibit A

2026 SPWA Service Area Boundary - Map Clarification

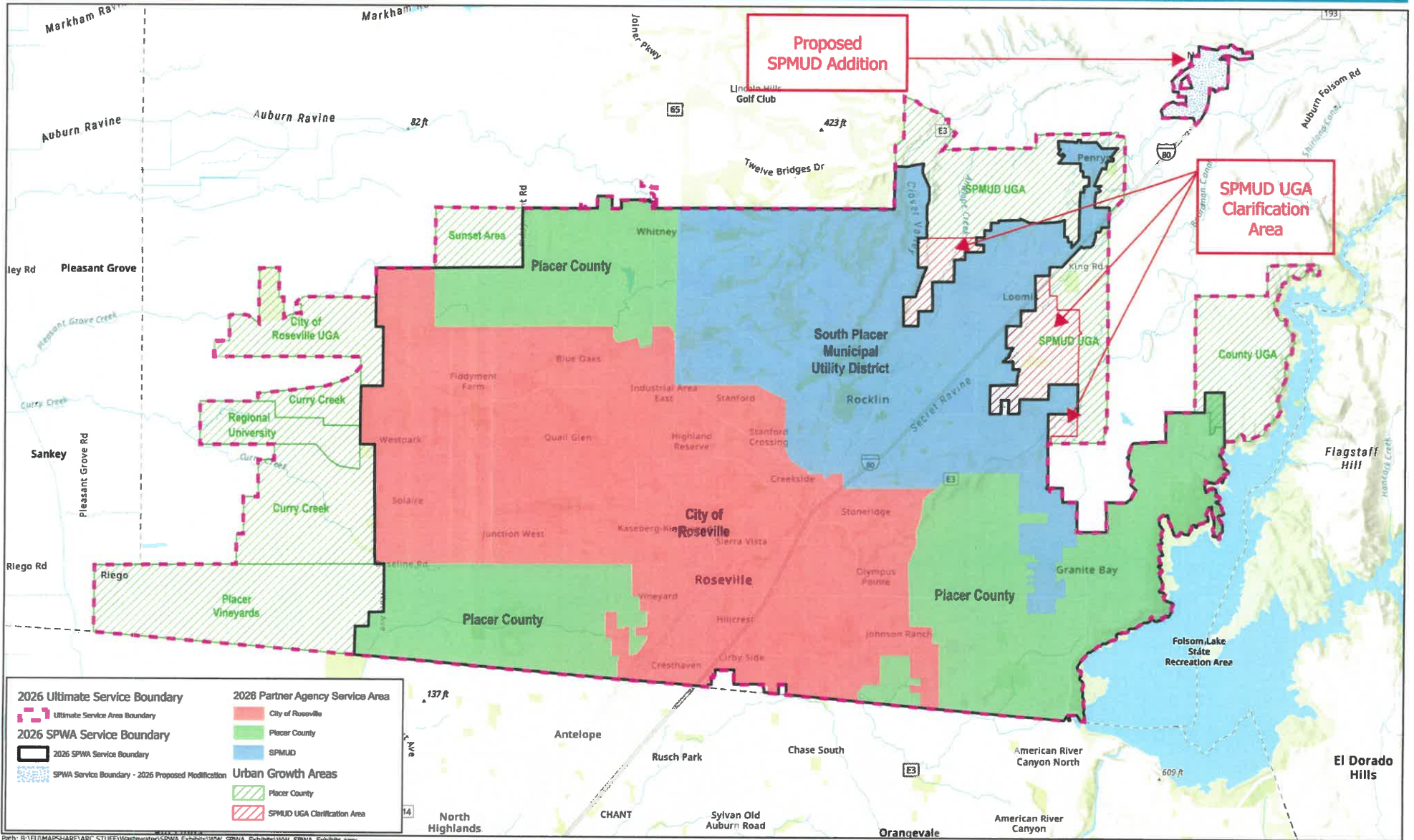


Exhibit B

2026 SPWA Service Area Boundary

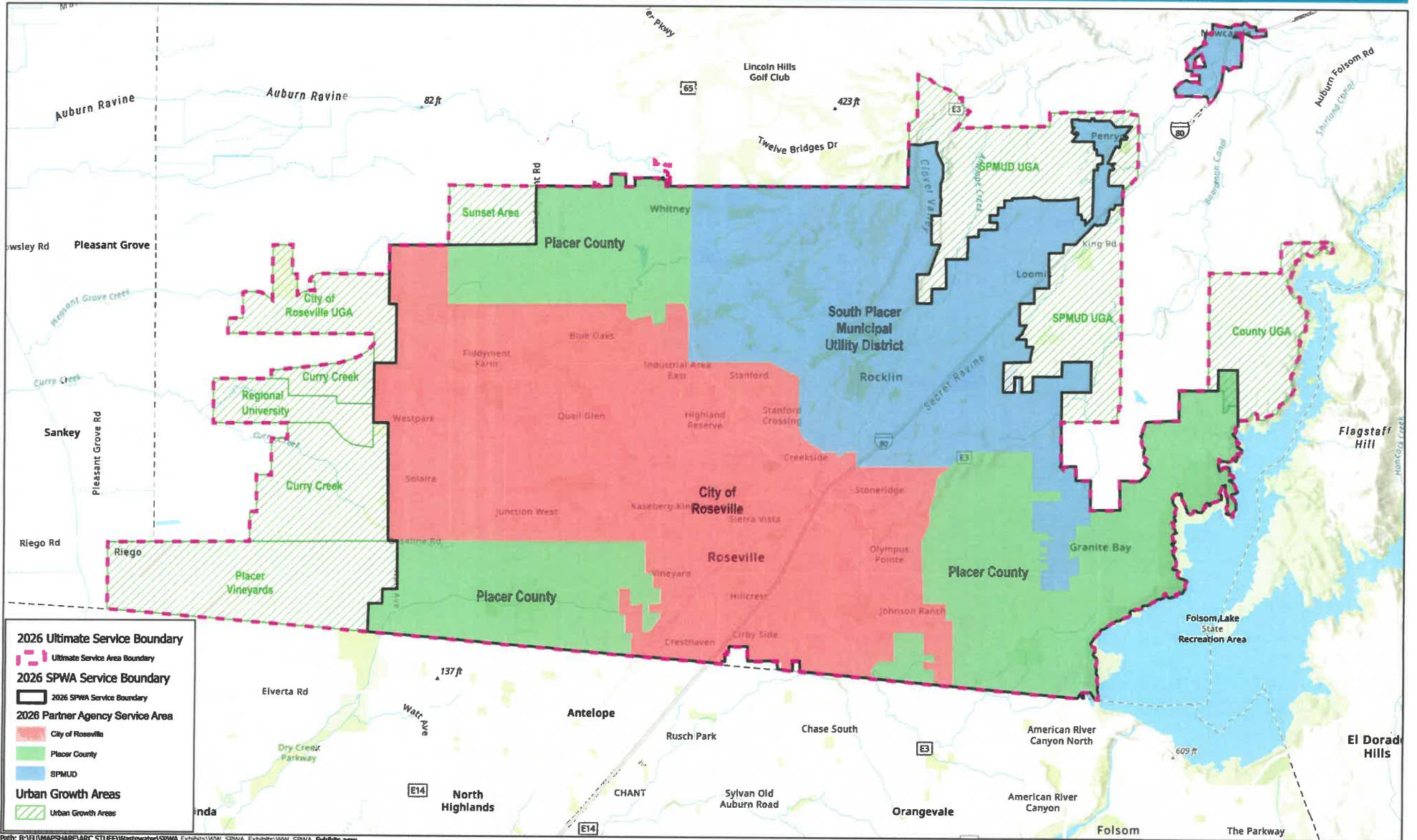


EXHIBIT C

MITIGATED NEGATIVE DECLARATION

Pursuant to the California Environmental Quality Act and Guidelines, the Newcastle Sanitary District hereby adopts this Mitigated Negative Declaration for the following project:

1. Project Title: Wastewater Treatment Plant Closure and Pipeline Project
2. Project Sponsor: Newcastle Sanitary District
3. Project Location: Newcastle, Placer County, California
4. Brief Description of the Project: The project consists of the closure of the Newcastle Sanitary District wastewater treatment plant, the pipeline project to convey wastewater generated within the District's service area through the South Placer Municipal Utility District ("SPMUD") wastewater system for treatment and disposal by the Regional Dry Creek Wastewater Treatment Plant in Roseville, California, and the annexation of the District service area into the SPMUD service area ("Project").
5. Findings of the Board of Directors of the Newcastle Sanitary District ("District"):

Although the Project could have a significant effect on the environment, there will not be a significant effect because the mitigation measures described in the Initial Study have been added to the Project.

On the basis of the whole record before it (including the initial study and any comments received), there is no substantial evidence that the Project may have a significant effect on the environment.

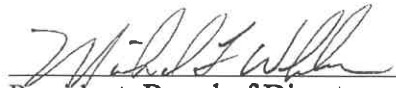
The Initial Study and Mitigated Negative Declaration for the Project reflect the independent judgment and analysis of the Board of Directors of the District.

6. A copy of the Initial Study is attached.
7. The mitigation measures are listed in the Initial Study and are hereby adopted, along with the Mitigation Monitoring and Reporting Plan, dated February 2009, prepared for the Project by ICF Jones & Stokes.
8. The documents or other material which constitute the record of proceedings upon which the adoption of this mitigated Negative Declaration is based can be found at the District

office located at: 482 MAIN ST. The custodian of such records is the District
General Manager. NEWCASTLE

Adopted by the Board of Directors of the Newcastle Sanitary District on
MARCH 11, 2009, 2009.

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0



President, Board of Directors

ATTEST:



Secretary, Board of Directors

Notice of Determination

Appendix D

To:

Office of Planning and Research
For U.S. Mail: P.O. Box 3044
Sacramento, CA 95812-3044
Street Address: 1400 Tenth St.
Sacramento, CA 95814

County Clerk
County of: Placer
Address: 2954 Richardson Drive
Auburn, CA 95603

From:

Public Agency: Newcastle Sanitary District
Address: P.O. Box 857
Newcastle, CA 95658
Contact: Ed Sander, General Manager
Phone: (916) 663-3927

Lead Agency (if different from above):
Address:
Contact:
Phone:

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2008112083

Project Title: Wastewater Treatment Plant Closure and Pipeline Project

Project Location (include county): Newcastle, Placer County, California

Project Description:

The project consists of the closure of the Newcastle Sanitary District wastewater treatment plant, the pipeline project to convey wastewater generated within the District's service area through the South Placer Municipal Utility District ("SPMUD") wastewater system for treatment and disposal by the Regional Dry Creek Wastewater Treatment Plant in Roseville, California, and the annexation of the District service area into the SPMUD service area ("Project").

This is to advise that the Newcastle Sanitary District has approved the above described project on March 11, 2009 and has made the following determinations regarding the above described project:
Lead Agency or Responsible Agency

- 1. The project [] will [x] will not] have a significant effect on the environment.
2. [] An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA. [x] A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [x] were [] were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [x] was [] was not] adopted for this project.
5. A statement of Overriding Considerations [] was [x] was not] adopted for this project.
6. Findings [x] were [] were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at: Custodian: Ed Sander, General Manager, Newcastle Sanitary District located at 482 Main St.

Signature (Public Agency) Edgar R. Sander Title General Manager

Date March 11, 2009 Date Received for filing at OPR

Authority cited: Sections 21083, Public Resources Code. Reference Section 21000-21174, Public Resources Code.

RESOLUTION NO. 2009-3

MITIGATED NEGATIVE DECLARATION FOR THE
NEWCASTLE SANITARY DISTRICT WASTEWATER TREATMENT PLANT
CLOSURE AND PIPELINE PROJECT

WHEREAS, at a public meeting on 11th day of, March, 2009, a Mitigated Negative Declaration was considered for the Newcastle Sanitary District ("NSD") proposed closure of its wastewater treatment plant, the proposed pipeline project to convey wastewater generated within the NSD boundaries through the South Placer Municipal Utility District ("SPMUD") wastewater system for treatment and disposal by the Regional Dry Creek Wastewater Treatment Plant ("RDCWWTP") in Roseville, California, and the annexation of the NSD service area into the SPMUD service area (collectively, the "Project").

WHEREAS, the pipeline project portion of the project consists of a dual pipeline system extending approximately 1.5 miles southwest from the NSD wastewater treatment plant to a connection point with the SPMUD collection system, and a new wastewater pump and equalization storage facilities to be constructed at the NSD wastewater treatment plant site ("Pipeline Project").

WHEREAS, an Initial Study has been conducted by NSD that evaluates the Project's potential for adverse environmental impacts; and

WHEREAS, after certain mitigation, there is no substantial evidence before the Board of Directors of NSD that the proposed Project may have significant adverse environmental effects; and

WHEREAS, the NSD Board has considered all comments, written or oral, related to the proposed Mitigated Negative Declaration and the proposed Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Newcastle Sanitary District that:

- 1) The attached Mitigated Negative Declaration for the acquisition, construction and implementation of the Project and each of the findings contained therein are hereby adopted in accordance with the California Environmental Quality Act; and
- 2) The Project is hereby approved and the General Manager is authorized to prepare, sign and file a Notice of Determination with the County Clerk and the State Office of Planning and Research within 5 working days from the date of this Resolution.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Newcastle Sanitary District at a regular meeting thereof held on the 11 day of MARCH, 2009.

Upon a motion by John Costa, seconded by LEONARD ORSOLINI and on the following roll call vote, to-wit:

AYES: 5
NOES: 0
ABSTAINING: 0
ABSENT: 0



President, Board of Directors

ATTEST:



Secretary, Board of Directors

EXHIBIT D



SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 5807 Springview Drive
 Rocklin, CA 95677
 (916) 786-8555
 (916) 786-8553 (Fax)

PARTICIPATION APPLICATION

DATE: 05/25/2011

Application Number: 4110

PARTICIPATION FEE: 298.55 at \$6,359.00

INSPECTION FEE: _____ at \$280.00

PARTICIPATION FEE TOTAL: \$1,898,479.45

INSPECTION FEE TOTAL: _____

COMMENTS: NSD (CONNECT CUSTOMERS) RESIDENTIAL = 195 EDUS, COMMERCIAL =103.55 EDUS

~ APPLICANT ~

NEWCASTLE SANITARY P.O. BOX 857 NEWCASTLE, CA 95658- 916-663-3927

CHECK NBR 1001 BANK NBR 90-2267 BUILDING PERMIT NBR: N/A (EXISTING CONNECTIONS)

RECEIPT OF FEES ACKNOWLEDGED BY: Linda L. Mackey

TOTAL FEE \$1,898,479.45

The undersigned applicant hereby makes application to connect to the sewer in conformance with South Placer M.U.D.'s ORDINANCE 09-02 and 09-04, which are made part of this application by reference herein, and applicable laws of the state of California. (Ordinance 09-02 attached for commercial service)

Edgar R. Sander
 Applicant Signature

Edgar R. Sander
 Name (Please Print)

	ADDRESS	LOT	SUBDIVISION	PARCEL
1.	690 TAYLOR RD		NEWCASTLE	031-241-016-000
2.	630 KENTUCKY GREENS WY		NEWCASTLE	031-241-040-000
3.	645 KENTUCKY GREENS WY		NEWCASTLE	031-241-041-000
4.	8960 OLD STATE HIGHWAY		NEWCASTLE	031-241-044-000
5.	8968 OLD STATE HIGHWAY		NEWCASTLE	031-241-045-000
6.	9050 OLD STATE HIGHWAY		NEWCASTLE	031-241-046-000
7.	8951 VALLEY VIEW DR		NEWCASTLE	031-241-048-000
8.	815 TAYLOR RD		NEWCASTLE	031-241-051-000
9.	280 BUENA VISTA AVE		NEWCASTLE	031-250-011-000
10.	8961 OLD STATE HIGHWAY		NEWCASTLE	031-250-014-000
11.	565 TAYLOR RD		NEWCASTLE	031-250-015-000
12.	570 TAYLOR RD		NEWCASTLE	031-250-016-000
13.	190 BUENA VISTA AVE		NEWCASTLE	031-250-021-000

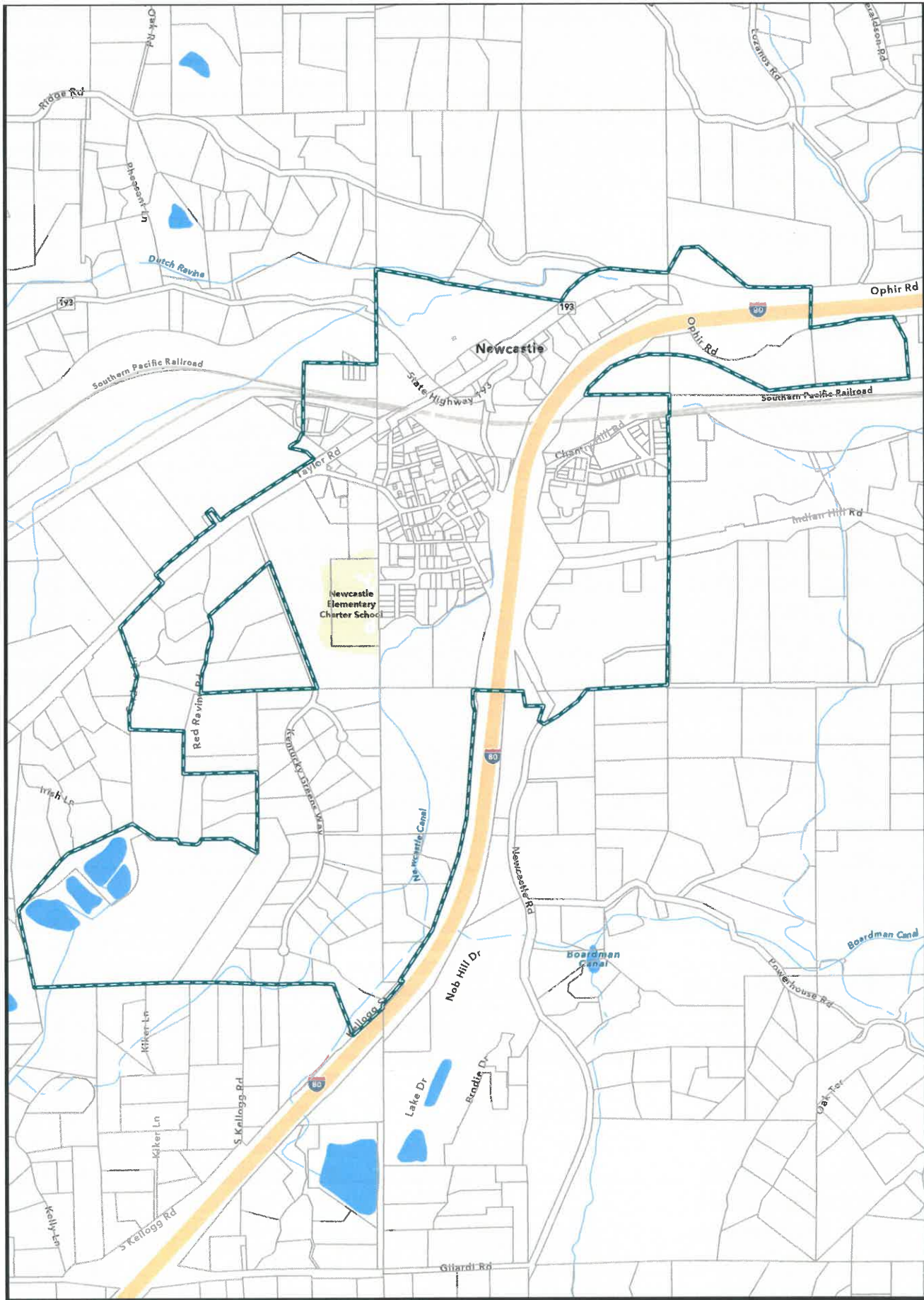
	ADDRESS	LOT	SUBDIVISION	PARCEL
14.	220	BUENA VISTA AVE	NEWCASTLE	031-250-028-000
15.	191	BUENA VISTA AVE	NEWCASTLE	031-250-034-000
16.	106	BUENA VISTA AVE	NEWCASTLE	031-250-035-000
17.	121	BUENA VISTA AVE	NEWCASTLE	031-250-037-000
18.	1300	KENTUCKY GREENS WY	NEWCASTLE	032-340-001-000
19.	1250	KENTUCKY GREENS WY	NEWCASTLE	032-340-002-000
20.	1200	KENTUCKY GREENS WY	NEWCASTLE	032-340-003-000
21.	1150	KENTUCKY GREENS WY	NEWCASTLE	032-340-004-000
22.	1100	KENTUCKY GREENS WY	NEWCASTLE	032-340-005-000
23.	1060	KENTUCKY GREENS WY	NEWCASTLE	032-340-006-000
24.	1010	KENTUCKY GREENS WY	NEWCASTLE	032-340-007-000
25.	1001	KENTUCKY GREENS WY	NEWCASTLE	032-340-008-000
26.	8925	DERBY CT	NEWCASTLE	032-340-009-000
27.	8945	DERBY CT	NEWCASTLE	032-340-010-000
28.	8960	DERBY CT	NEWCASTLE	032-340-011-000
29.	8940	DERBY CT	NEWCASTLE	032-340-012-000
30.	8920	DERBY CT	NEWCASTLE	032-340-013-000
31.	1075	KENTUCKY GREENS WY	NEWCASTLE	032-340-014-000
32.	1145	KENTUCKY GREENS WY	NEWCASTLE	032-340-015-000
33.	1165	KENTUCKY GREENS WY	NEWCASTLE	032-340-016-000
34.	1245	KENTUCKY GREENS WY	NEWCASTLE	032-340-019-000
35.	1185	KENTUCKY GREENS WY	NEWCASTLE	032-340-021-000
36.	1225	KENTUCKY GREENS WY	NEWCASTLE	032-340-022-000
37.	1425	KENTUCKY GREENS WY	NEWCASTLE	032-350-001-000
38.	1445	KENTUCKY GREENS WY	NEWCASTLE	032-350-003-000
39.	1450	KENTUCKY GREENS WY	NEWCASTLE	032-350-004-000
40.	1430	KENTUCKY GREENS WY	NEWCASTLE	032-350-005-000
41.	1410	KENTUCKY GREENS WY	NEWCASTLE	032-350-006-000
42.	1370	KENTUCKY GREENS WY	NEWCASTLE	032-350-007-000
43.	1340	KENTUCKY GREENS WY	NEWCASTLE	032-350-008-000
44.	1305	KENTUCKY GREENS WY	NEWCASTLE	032-350-009-000
45.	1285	KENTUCKY GREENS WY	NEWCASTLE	032-350-010-000
46.	1325	KENTUCKY GREENS WY	NEWCASTLE	032-350-016-000
47.	1355	KENTUCKY GREENS WY	NEWCASTLE	032-350-017-000
48.	280	TAYLOR RD	NEWCASTLE	040-140-002-000
49.	245	TAYLOR RD	NEWCASTLE	040-140-007-000
50.	239	TAYLOR RD	NEWCASTLE	040-140-010-000
51.	255	TAYLOR RD	NEWCASTLE	040-140-011-000
52.	300	TAYLOR RD	NEWCASTLE	040-140-015-000
53.	320	TAYLOR RD	NEWCASTLE	040-140-016-000
54.	9240	LINCOLN-NWCL HWY	NEWCASTLE	040-140-026-000

	ADDRESS	LOT	SUBDIVISION	PARCEL
55.	9200	LINCOLN-NWCL HWY	NEWCASTLE	040-140-027-000
56.	9101	LINCOLN-NWCL HWY	NEWCASTLE	040-140-030-000
57.	9111	LINCOLN-NWCL HWY	NEWCASTLE	040-140-031-000
58.	280	TAYLOR RD	NEWCASTLE	040-140-037-000
59.	235	TAYLOR RD	NEWCASTLE	040-140-054-000
60.	167	TAYLOR RD	NEWCASTLE	040-140-056-000
61.	9093	OLD STATE HIGHWAY	NEWCASTLE	040-150-006-000
62.	9300	CHANTRY HILL RD	NEWCASTLE	040-150-014-000
63.	9314	CHANTRY HILL RD	NEWCASTLE	040-150-016-000
64.	501	2ND ST	NEWCASTLE	040-150-017-000
65.	9385	OLD STATE HIGHWAY	NEWCASTLE	040-150-024-000
66.	455	MAIN ST	NEWCASTLE	040-150-025-000
67.	455-A	MAIN ST	NEWCASTLE	040-150-026-000
68.	390	BUENA VISTA AVE	NEWCASTLE	040-161-001-000
69.	410	BUENA VISTA AVE	NEWCASTLE	040-161-002-000
70.	440	BUENA VISTA AVE	NEWCASTLE	040-161-003-000
71.	450	BUENA VISTA AVE	NEWCASTLE	040-161-004-000
72.	460	BUENA VISTA AVE	NEWCASTLE	040-161-005-000
73.	9061	PAGE ST	NEWCASTLE	040-162-002-000
74.	9031	PAGE ST	NEWCASTLE	040-162-007-000
75.	9030	PAGE ST	NEWCASTLE	040-163-001-000
76.	484	THRELKEL ST	NEWCASTLE	040-163-003-000
77.	420	MAIN ST	NEWCASTLE	040-163-004-000
78.	440	MAIN ST	NEWCASTLE	040-163-006-000
79.	450	MAIN ST	NEWCASTLE	040-163-007-000
80.	458	MAIN ST	NEWCASTLE	040-163-008-000
81.	462	MAIN ST	NEWCASTLE	040-163-009-000
82.	432	THRELKEL ST	NEWCASTLE	040-163-012-000
83.	441	BUENA VISTA AVE	NEWCASTLE	040-163-018-000
84.	411	BUENA VISTA AVE	NEWCASTLE	040-163-021-000
85.	463	THRELKEL ST	NEWCASTLE	040-163-023-000
86.	421	BUENA VISTA AVE	NEWCASTLE	040-163-024-000
87.	430	MAIN ST	NEWCASTLE	040-163-025-000
88.	451	BUENA VISTA AVE	NEWCASTLE	040-164-001-000
89.	450	THRELKEL ST	NEWCASTLE	040-164-002-000
90.	424	THRELKEL ST	NEWCASTLE	040-171-002-000
91.	480	THRELKEL ST	NEWCASTLE	040-171-003-000
92.	9087	OLD STATE HIGHWAY	NEWCASTLE	040-171-004-000
93.	9075	OLD STATE HIGHWAY	NEWCASTLE	040-171-005-000
94.	9051	OLD STATE HIGHWAY	NEWCASTLE	040-171-007-000
95.	9001	OLD STATE HIGHWAY	NEWCASTLE	040-171-008-000

	ADDRESS	LOT	SUBDIVISION	PARCEL
96.	9011 OLD STATE HIGHWAY		NEWCASTLE	040-171-009-000
97.	9021 OLD STATE HIGHWAY		NEWCASTLE	040-171-010-000
98.	9031 OLD STATE HIGHWAY		NEWCASTLE	040-171-011-000
99.	9012 HOWELL LN		NEWCASTLE	040-172-002-000
100.	9032 HOWELL LN		NEWCASTLE	040-172-005-000
101.	9022 HOWELL LN		NEWCASTLE	040-172-006-000
102.	9060 OLD STATE HIGHWAY		NEWCASTLE	040-172-007-000
103.	9150 OLD STATE HIGHWAY		NEWCASTLE	040-172-010-000
104.	9190 OLD STATE HIGHWAY		NEWCASTLE	040-172-011-000
105.	9220 OLD STATE HIGHWAY		NEWCASTLE	040-172-013-000
106.	564 KELLOGG ST		NEWCASTLE	040-172-014-000
107.	550 KELLOGG ST		NEWCASTLE	040-172-015-000
106.	9161 PLUM LN		NEWCASTLE	040-172-016-000
109.	9149 PLUM LN		NEWCASTLE	040-172-017-000
110.	9074 HOWELL LN		NEWCASTLE	040-172-020-000
111.	9064 HOWELL LN		NEWCASTLE	040-172-021-000
112.	9052 HOWELL LN		NEWCASTLE	040-172-022-000
113.	9084 HOWELL LN		NEWCASTLE	040-172-024-000
114.	9042 HOWELL LN		NEWCASTLE	040-172-025-000
115.	9100 OLD STATE HIGHWAY		NEWCASTLE	040-172-026-000
116.	9070 OLD STATE HIGHWAY		NEWCASTLE	040-172-027-000
117.	9200 OLD STATE HIGHWAY		NEWCASTLE	040-172-028-000
118.	9140 HOWELL LN		NEWCASTLE	040-172-029-000
119.	473 THRELKEL ST		NEWCASTLE	040-173-001-000
120.	482 MAIN ST		NEWCASTLE	040-173-005-000
121.	490 MAIN ST		NEWCASTLE	040-173-006-000
122.	550 MAIN ST		NEWCASTLE	040-173-007-000
123.	9161 OLD STATE HIGHWAY		NEWCASTLE	040-173-008-000
124.	9149 OLD STATE HIGHWAY		NEWCASTLE	040-173-009-000
125.	470 MAIN ST		NEWCASTLE	040-173-010-000
126.	501 MAIN ST		NEWCASTLE	040-174-002-000
127.	9201 OLD STATE HIGHWAY		NEWCASTLE	040-174-004-000
128.	9241 OLD STATE HIGHWAY		NEWCASTLE	040-174-005-000
129.	461 MAIN ST		NEWCASTLE	040-175-002-000
130.	477 MAIN ST		NEWCASTLE	040-175-005-000
131.	9211 CYPRESS ST		NEWCASTLE	040-175-006-000
132.	9220 CYPRESS ST		NEWCASTLE	040-176-001-000
133.	545 ORANGE ST		NEWCASTLE	040-176-002-000
134.	9246 OLD STATE HIGHWAY		NEWCASTLE	040-177-001-000
135.	9250 OLD STATE HIGHWAY		NEWCASTLE	040-177-002-000
136.	569 KELLOGG ST		NEWCASTLE	040-177-009-000

	ADDRESS	LOT	SUBDIVISION	PARCEL
137.	561	KELLOGG ST	NEWCASTLE	040-177-010-000
138.	304	2ND ST	NEWCASTLE	040-181-002-000
139.	308	2ND ST	NEWCASTLE	040-181-003-000
140.	402	2ND ST	NEWCASTLE	040-181-004-000
141.	440	2ND ST	NEWCASTLE	040-181-005-000
142.	502	2ND ST	NEWCASTLE	040-181-006-000
143.	510	2ND ST	NEWCASTLE	040-181-007-000
144.	520	2ND ST	NEWCASTLE	040-181-008-000
145.	300	2ND ST	NEWCASTLE	040-181-009-000
146.	437	2ND ST	NEWCASTLE	040-182-002-000
147.	445	2ND ST	NEWCASTLE	040-182-003-000
148.	505	2ND ST	NEWCASTLE	040-182-007-000
149.	499	2ND ST	NEWCASTLE	040-182-010-000
150.	9340	CHANTRY HILL RD	NEWCASTLE	040-182-011-000
151.	9411	PARK AVE	NEWCASTLE	040-183-011-000
152.	311	2ND ST	NEWCASTLE	040-183-012-000
153.	9414	PARK AVE	NEWCASTLE	040-184-003-000
154.	9420	PARK AVE	NEWCASTLE	040-184-004-000
155.	9430	PARK AVE	NEWCASTLE	040-184-005-000
156.	9436	PARK AVE	NEWCASTLE	040-184-006-000
157.	9438	PARK AVE	NEWCASTLE	040-184-007-000
158.	351	2ND ST	NEWCASTLE	040-184-009-000
159.	9570	CHANTRY HILL RD	NEWCASTLE	040-185-002-000
160.	9536	PARK AVE	NEWCASTLE	040-185-004-000
161.	9460	PARK AVE	NEWCASTLE	040-185-008-000
162.	9560	CHANTRY HILL RD	NEWCASTLE	040-185-009-000
163.	9558	PARK AVE	NEWCASTLE	040-185-010-000
164.	9611	TUNNEL ST	NEWCASTLE	040-186-012-000
165.	9619	TUNNEL ST	NEWCASTLE	040-186-016-000
166.	9615	TUNNEL ST	NEWCASTLE	040-186-017-000
167.	9617	TUNNEL ST	NEWCASTLE	040-186-018-000
168.	9603	CHANTRY HILL RD	NEWCASTLE	040-186-019-000
169.	9448	PARK AVE	NEWCASTLE	040-186-021-000
170.	574	PEACH LN	NEWCASTLE	040-191-002-000
171.	9053	VALLEY VIEW DR	NEWCASTLE	040-191-015-000
172.	581	PEACH LN	NEWCASTLE	040-191-017-000
173.	582	PEACH LN	NEWCASTLE	040-191-018-000
174.	9020	VALLEY VIEW DR	NEWCASTLE	040-192-008-000
175.	620	CHERRY LN	NEWCASTLE	040-192-009-000
176.	640	CHERRY LN	NEWCASTLE	040-192-010-000
177.	630	CHERRY LN	NEWCASTLE	040-192-011-000

	ADDRESS	LOT	SUBDIVISION	PARCEL
178.	650 CHERRY LN		NEWCASTLE	040-192-013-000
179.	660 CHERRY LN		NEWCASTLE	040-192-014-000
180.	9133 VALLEY VIEW DR		NEWCASTLE	040-193-003-000
181.	9123 VALLEY VIEW DR		NEWCASTLE	040-193-004-000
182.	9111 VALLEY VIEW DR		NEWCASTLE	040-193-005-000
183.	9101 VALLEY VIEW DR		NEWCASTLE	040-193-006-000
184.	9143 VALLEY VIEW DR		NEWCASTLE	040-193-007-000
185.	570 KELLOGG ST		NEWCASTLE	040-193-008-000
186.	580 KELLOGG ST		NEWCASTLE	040-193-009-000
187.	590 KELLOGG ST		NEWCASTLE	040-193-010-000
188.	565 PEACH LN		NEWCASTLE	040-193-013-000
189.	575 PEACH LN		NEWCASTLE	040-193-017-000
190.	553 PEACH LN		NEWCASTLE	040-193-018-000
191.	555 PEACH LN		NEWCASTLE	040-193-019-000
192.	9116 VALLEY VIEW DR		NEWCASTLE	040-194-002-000
193.	621 OLDHAM DR		NEWCASTLE	040-194-006-000
194.	9070 VALLEY VIEW DR		NEWCASTLE	040-194-012-000
195.	610 PEACH LN		NEWCASTLE	040-194-016-000
196.	633 OLDHAM DR		NEWCASTLE	040-194-018-000
197.	620 PEACH LN		NEWCASTLE	040-194-023-000
198.	9140 VALLEY VIEW DR		NEWCASTLE	040-194-028-000
199.	630 OLDHAM DR		NEWCASTLE	040-194-030-000
200.	630 PEACH LN		NEWCASTLE	040-194-035-000
201.	601 PEACH LN		NEWCASTLE	040-194-037-000
202.	650 PEACH LN		NEWCASTLE	040-194-039-000
203.	660 KELLOGG ST		NEWCASTLE	040-194-040-000
204.	670 KELLOGG ST		NEWCASTLE	040-194-041-000
205.	625 CHERRY LN		NEWCASTLE	040-194-042-000
206.	635 CHERRY LN		NEWCASTLE	040-194-043-000
207.	9150 VALLEY VIEW DR		NEWCASTLE	040-194-046-000
208.	645 CHERRY LN		NEWCASTLE	040-194-047-000
209.	655 CHERRY LN		NEWCASTLE	040-194-049-000
210.	640 OLDHAM DR		NEWCASTLE	040-194-050-000
211.	652 OLDHAM DR		NEWCASTLE	040-194-051-000
212.	611 KELLOGG ST		NEWCASTLE	040-195-004-000
213.	9440 INDIAN HILL RD		NEWCASTLE	040-330-044-000
214.	661 NEWCASTLE RD		NEWCASTLE	040-330-045-000
215.	681 NEWCASTLE RD		NEWCASTLE	040-330-046-000
216.	601 NEWCASTLE RD		NEWCASTLE	040-330-051-000
	1410 KELLOGG ST		NEWCASTLE	042-010-001-000
218.	1001 NEWCASTLE RD		NEWCASTLE	042-010-008-000



SPMUD Newcastle Boundary

-  SPMUD District Boundary
-  gis.DBO.Parcels

Map Produced By: SPMUD Technical Services
 Date: 1/21/2026
 File Location: G:\spmud_gis\mxd\Curtis\Exhibit Maps\Exhibits.aprx

0 250 500 1,000 Feet




**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION 10-09**

**CREATING THE NEWCASTLE SPECIAL BENEFIT AREA ("NSBA")
AND
LEVYING A SPECIAL SEWER BENEFIT AREA PROJECT RELATED SERVICE CHARGE**

WHEREAS, the Newcastle Sanitary District (NSD), a Sanitary District organized and existing under the laws of the State of California, through duly noticed public hearings and action by the Board of Directors of NSD, has determined that it is in the best interest of the ratepayers of NSD and the general public in serving the sanitary sewer needs of the Newcastle area, providing superior sewer service and treatment, and maintaining compliance with applicable water quality control regulations, to decommission its wastewater treatment ponds and make improvements to its wastewater system so its service area can receive wastewater service through the South Placer Municipal Utility District (SPMUD); and

WHEREAS, SPMUD and NSD agree that SPMUD is the logical agency to provide said wastewater service from an operational, geographic and economic standpoint; and

WHEREAS, sewer service provided by SPMUD to the Newcastle area will further SPMUD's interest and the interest of the general public in protecting the local watershed; and

WHEREAS, the NSD wastewater system requires certain infrastructure repairs and improvements to be made in connection therewith prior to SPMUD's acceptance; and

WHEREAS, SPMUD and NSD have entered into agreements relating to the annexation of the NSD service area to SPMUD and the financing of project costs associated with the annexation, and said agreements require the creation of a special sewer benefit area for the adoption and levying of a project-related service charge.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PLACER MUNICIPAL UTILITY DISTRICT AS FOLLOWS:

Section 1 Findings

The Board of Directors of SPMUD finds and declares as follows:

A. SPMUD has agreed to provide financing in the amount not to exceed \$6,000,000.00 (six million and 00/100 dollars) to NSD for the purpose of constructing improvements and carrying out that certain project (as described in the definitions below).

B. The amount financed by SPMUD provides a special benefit to the landowners / customers in the NSD area above and beyond that of a general nature, and said amount, together with interest, requires repayment to be made to SPMUD by those receiving said special benefit.

C. The creation of a special benefit area will facilitate the security and repayment to SPMUD of the amount required to be repaid by those who are benefitted by the financing provided by SPMUD to NSD.

Section 2 Related Documents

Documents related to this Resolution are as follows and are appended hereto by attachment:

A. "Agreement between South Placer Municipal Utility District and Newcastle Sanitary District regarding Annexation and Dissolution", dated October 13, 2009 ("Annexation Agreement")—Appendix, Attachment A.

B. "Financing Agreement—South Placer Municipal Utility District and Newcastle Sanitary District", and attachments thereto, dated June 30, 2010 ("Financing Agreement")—Appendix, Attachment B.

Section 3 Definitions

Words and phrases used in this Resolution have the following meaning:

A. "Amount Repayable" means the total amount of financing provided by SPMUD to NSD under the Financing Agreement that is required to be repaid to SPMUD, including interest thereon.

B. "EDU" means Equivalent Dwelling Unit, the unit of measurement under SPMUD ordinance used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single family residential occupancy. Residential EDU's are determined at one (1) EDU per living unit. Commercial/Industrial EDU's are determined at fractions or wholes of an EDU based on square footage and type of use, and/or on flow and strength.

C. "NSBA" means the Newcastle Special Benefit Area, the terms set forth herein.

D. "NSD" means the Newcastle Sanitary District, its officers, employees, and agents, and the lands and area within its legal boundaries.

E. "NSD area" means the whole of the territory within the legal boundaries of NSD, which area is being annexed to SPMUD.

F. "Project" means the NSD sewer system improvements to be made under the '*NSD Wastewater Treatment Plant Closure and Pipeline Project*' and the '*NSD System Repair Project*' contracts. The scope of work includes but is not limited to, decommissioning and/or removing from service any existing NSD wastewater treatment pond(s), spray field(s) or other facilities; construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, and connections to existing facilities; rehabilitation of the NSD wastewater system; and any other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system; together with the acquisition of easements and rights-of-way, project administration and related services and costs and any connection charges and fees; and any and all studies, reports and designs related thereto.

G. "PRPF" means the Project Related Participation Fee, that fee payable by new connections within the NSBA which are made after the effective date of the NSBA, as set forth in Section 6, below.

H. "PRSC" means Project Related Service Charge, a special area service charge imposed on an EDU basis on the landowners / customers in the NSBA area that are connected to the wastewater system for repayment to SPMUD of the Amount Repayable.

I. "SPMUD" means the South Placer Municipal Utility District, its officers, employees, and agents, and the lands and area within its legal boundaries.

Section 4 Creation of Special Benefit Area

A. There is hereby created and established the Newcastle Special Benefit Area ("NSBA"), the boundary of which is shown and described in Exhibit "A" – BOUNDARY DESCRIPTION and Exhibit "B" – BOUNDARY MAP attached hereto and incorporated herein by reference, the area of which is also coterminous with the NSD area being annexed to SPMUD.

B. The effective date ("Effective Date") of the NSBA shall be the date of NSD's dissolution, which shall be the date that SPMUD adopts a Resolution accepting all elements of the Project. The NSBA shall remain in existence until the obligation to repay the Amount Repayable has been satisfied.

C. All lands within the NSBA shall be subject to the payment of the Project Related Service Charge (PRSC) as provided for below, plus SPMUD's normal monthly service charge and other obligations and rates and charges otherwise payable by all customers of SPMUD as such may be enacted, amended or imposed from time to time by the SPMUD Board of Directors.

Section 5 Levying of the NSBA Project Related Service Charge (PRSC)

A. The PRSC is hereby fixed and established at \$54.00 per EDU per month on the lands in the NSBA that are the initial connections to the NSD area wastewater system, as said initial connections, on an EDU basis, exist(ed) on the date that an award of a contract for the Project has been made. Said connections have been determined under SPMUD Ordinance 09-02 to be 298.55 EDU's, which are further listed and identified in the Appendix, Attachment C, and shall remain fixed for the duration of the term required for repayment of the Amount Repayable to SPMUD. The PRSC shall be used exclusively to repay the principal and interest on the Amount Repayable, and repayment shall be the sole and exclusive obligation of the landowners / customers initially connected to the NSD area wastewater system. Payment of the Project Related Service Charge shall remain in effect until such time as the obligation for the Amount Repayable has been satisfied.

B. The PRSC shall be a separate service charge, in addition to the normal monthly SPMUD service charge. Billing shall be quarterly on the regular SPMUD billing cycle, or at such other frequency/cycle as may be determined by SPMUD in its sole discretion. The PRSC may be shown and included on the same bill as the normal SPMUD service charge bill. The collection and payment of the PRSC shall be subject to Division 6 of the Public Utilities Code of the State of California.

C. From and after the Effective Date of the NSBA, additional connections, on an EDU basis, made to the wastewater system in the NSBA, shall be subject to payment of a Project Related Participation Fee and the payment(s) of the PRSC as provided for in Section 6, below.

Section 6 Additional Connections to the Wastewater System in the NSBA

A. Annexations to SPMUD that use any of the NSBA funded improvements shall automatically be a part of the NSBA, and thereafter be subject to all of the requirements of this Resolution; provided, however, that the SPMUD Board of Directors may, by resolution, specifically exclude such annexation from becoming a part of the NSBA.

B. The Project improvements undertaken as a result of the financing provided by SPMUD are of such size, character and quality that a supplemental benefit to additional landowners / customers in the NSBA is available. This supplemental benefit is being secured by the landowners / customers initially connected as a result of their financial obligation (under Section 5 A above) to

repay to SPMUD the Amount Repayable. In consideration of such supplemental benefit being provided by the NSBA customers initially connected, all additional connections using any part of the NSBA funded wastewater system shall be subject to the payment of a Project Related Participation Fee (PRPF), which Fee represents each additional connection's equable share per EDU of the Project costs for the supplemental benefit received.

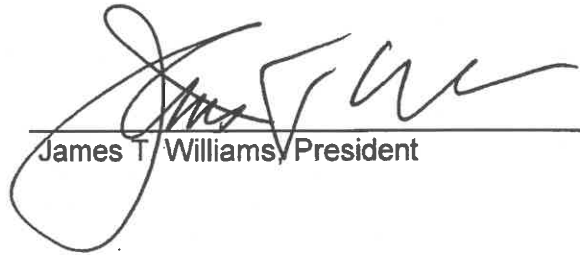
C. The PRPF is based on construction related Project cost of the NSBA improvements, shown on and attached hereto as Exhibit C – PRSC & PRPF CALCS. The PRPF is hereby fixed and established as shown on and attached hereto as Exhibit D – NSBA LOAN REPAYMENT TABLE. The PRPF begins on January 1, 2013. The Fee shall be paid at the same time the SPMUD sewer Participation Charge(s) are paid. The PRPF shall be applied to the outstanding principal balance of the Amount Repayable, specifically to reduce the principal balance then outstanding.

D. From and after the date of connection to the wastewater system in the NSBA, all new connections shall be subject to the payment of the PRSC in accordance with the requirements for payment as provided for in Section 5 above, plus SPMUD's normal monthly service charge and all other charges generally imposed on all customers within SPMUD, as such may be enacted, amended or imposed from time to time. The PRPF & PRSC collected on the new connections shall be applied to the outstanding principal balance of the Amount Repayable, thereby reducing the principal balance and the repayment period.

PASSED AND ADOPTED by the Board of Directors of South Placer Municipal Utility District, this 25th day of August, 2010

AYES: Directors Murdock, Markey, Williams, Mitchell, Dickinson
NOES: None
ABSTAIN: None
ABSENT: None

SOUTH PLACER MUNICIPAL UTILITY DISTRICT



James T. Williams, President

ATTEST:



Carol J. Bean, Secretary

RESOLUTION NO. 10-09

EXHIBIT A – BOUNDARY DESCRIPTION

EXHIBIT B – BOUNDARY MAP

EXHIBIT C – PRSC & PRPF CALCS

EXHIBIT D – NSBA LOAN REPAYMENT TABLE

EXHIBIT "A"

**NEWCASTLE SANITARY DISTRICT ANNEXATION
LAFCO NO. 2009-05
ANNEXATION TO THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT**

ALL THAT REAL PROPERTY LYING WITHIN THE NEWCASTLE SANITARY DISTRICT, SITUATE IN THE COUNTY OF PLACER, STATE OF CALIFORNIA, BEING PART OF SECTIONS 24 AND 25, TOWNSHIP 12 NORTH, RANGE 7 EAST, M.D.B.& M. AND PART OF SECTIONS 19 AND 30 TOWNSHIP 12 NORTH, RANGE 8 EAST, M.D.B.& M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 25, FROM WHICH THE NORTHEAST CORNER BEARS NORTH 89° 05' 22" EAST, 5261.24 FEET;

THENCE SOUTH 39°06'29" EAST, 3349.12 FEET TO THE SOUTHWEST CORNER OF THE NEWCASTLE SANITARY DISTRICT PROPERTY, ASSIGNED APN NUMBERS 032-152-009 AND 032-152-008 BY THE PLACER COUNTY ASSESSOR AND DESCRIBED IN BOOK 923 AT PAGE 369, BOOK 955 AT PAGE 303, BOOK 978 AT PAGE 408, BOOK 953 AT PAGE 286 AND BOOK 1656 AT PAGE 215 OF OFFICIAL RECORDS OF PLACER COUNTY, AND BEING THE POINT OF BEGINNING FOR THIS LEGAL DESCRIPTION;

THENCE FROM SAID POINT OF BEGINNING, BEING ON THE WEST-EAST QUARTER SECTION LINE OF SAID SECTION 25, ALONG THE SOUTHWESTERLY, NORTHWESTERLY AND NORTHERLY LINES OF SAID NEWCASTLE SANITARY DISTRICT PROPERTY, TO THE SOUTHEAST CORNER OF PARCEL "D" AS SHOWN ON THAT CERTAIN MAP FILED IN BOOK 13 OF PARCEL MAPS AT PAGE 121, ASSIGNED THE APN NUMBER 032-152-007 BY THE PLACER COUNTY ASSESSOR, SAID CORNER BEING ON THE WESTERLY BOUNDARY LINE OF "KENTUCKY GREENS ANNEXATION", RESOLUTION 87-2, RECORDED IN BOOK 3301 , PAGE 606 OF OFFICIAL RECORDS, THE FOLLOWING TWELVE (12) COURSES:

- (1) NORTH 13°08'05" WEST, 597.96 FEET;
- (2) NORTH 06°04'45" WEST, 160.00 FEET;
- (3) NORTH 45°04'35" EAST, 678.30 FEET;
- (4) NORTH 62°04'35" EAST, 640.58 FEET;
- (5) SOUTH 52°25'42" EAST, 261.63 FEET;
- (6) SOUTH 89°13'16" EAST, 199.70 FEET;
- (7) SOUTH 25°54'22" EAST, 40.34 FEET;
- (8) SOUTH 85°47'35" EAST, 155.51 FEET;
- (9) NORTH 64°17'44" EAST, 31.25 FEET;
- (10) NORTH 30°34'34" EAST, 41.56 FEET;

(11) NORTH 89°07'06" EAST, 279.92 FEET;
(12) SOUTH 61°01'09" EAST, 266.28 FEET;

(13) THENCE NORTH 00°19'30" EAST, 728.04 FEET, ALONG THE WESTERLY BOUNDARY LINE OF SAID ANNEXATION AND ALONG THE EASTERLY BOUNDARY OF SAID PARCEL "D" AND ALONG THE EASTERLY BOUNDARY OF PARCEL "B" AND "A", AS SHOWN ON THAT CERTAIN MAP FILED IN BOOK 15 OF PARCEL MAPS AT PAGE 42 TO THE NORTHEAST CORNER OF SAID PARCEL "A", ALSO BEING THE SOUTHEAST CORNER OF "BRINKMAN ANNEXATION", RESOLUTION 2007-01, RECORDED IN DOCUMENT # 2007-0068636;

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL "A", AND ALONG THE SOUTHERLY LINE OF THE PARCEL ASSIGNED THE APN NUMBER 032-152-044 BY THE PLACER COUNTY ASSESSOR AND DESCRIBED IN DOCUMENT #92-091587 AND ALONG THE SOUTHERLY AND WESTERLY LINES OF SAID BRINKMAN ANNEXATION TO A POINT BEING CALLED OUT AS "POINT A" FOR PURPOSE OF EASY REFERENCE, ALSO BEING ON THE NORTHERLY LINE OF SAID SECTION 25, THE FOLLOWING FIVE (5) COURSES:

(14) SOUTH 88°57'30" WEST, 681.32 FEET;
(15) NORTH 01°32'00" EAST, 394.99 FEET;
(16) NORTH 88°37'00" WEST, 486.38 FEET;
(17) NORTH 00°25'00" WEST, 158.21 FEET;
(18) NORTH 15°41'30" EAST, 150.50 FEET;

THENCE CONTINUING ALONG THE WESTERLY LINE OF SAID BRINKMAN ANNEXATION TO THE SOUTHWEST CORNER OF "BRINKMAN ANNEXATION", RESOLUTION 2000-12, RECORDED IN DOCUMENT #2001-0053309, THE FOLLOWING TWO (2) COURSES:

(19) NORTH 15°41'30" EAST, 182.78 FEET,
(20) NORTH 19°19'50" WEST, 89.30 FEET;

THENCE ALONG THE WESTERLY AND NORTHERLY BOUNDARY LINE OF SAID "BRINKMAN ANNEXATION", RESOLUTION 2000-12 THE FOLLOWING EIGHT (8) COURSES:

(21) NORTH 19°19'50" WEST, 381.30 FEET TO THE SOUTHEASTERLY LINE OF "TAYLOR ROAD";
(22) THENCE ALONG SAID LINE, NORTH 44°55'00" EAST, 483.90 FEET;
(23) THENCE LEAVING SAID LINE, TO THE NORTHWESTERLY LINE OF "TAYLOR ROAD", NORTH 44°53'28" WEST, 80.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, FROM WHICH POINT A CHORD BEARS NORTH 45°48'21" EAST, 79.60 FEET;

(24) THENCE ALONG SAID NORTHWESTERLY LINE AND SAID CURVE, HAVING A RADIUS OF 2830.00 FEET, THROUGH A CENTRAL ANGLE OF 01°36'42", AN ARC LENGTH OF 79.60 FEET TO THE BEGINNING OF A COMPOUND CURVE TO THE RIGHT;
(25) THENCE ALONG SAID CURVE, HAVING A RADIUS OF 2830.00 FEET, THROUGH A CENTRAL ANGLE OF 05°18'00", AN ARC LENGTH OF 261.78 FEET;
(26) NORTH 52°07'00" EAST, 210.33 FEET;
(27) NORTH 36°56'00" WEST, 20.00 FEET;
(28) NORTH 52°07'00" EAST, 150.00 FEET TO THE SOUTHWESTERLY LINE OF "PORTUGESE HALL ANNEXATION", RESOLUTION 86-537;

THENCE ALONG THE SOUTHWESTERLY AND NORTHWESTERLY LINE OF SAID "PORTUGESE HALL ANNEXATION", RESOLUTION 86-537 TO A POINT IN THE SOUTHWEST LINE OF "EUGENE ANNEXATION", RESOLUTION 1-77, THE FOLLOWING FIVE (5) COURSES:

(29) NORTH 35°36'00" WEST, 108.00 FEET (NORTHWESTERLY, 108.00 FEET PER SAID "PORTUGESE HALL ANNEXATION");
(30) NORTH 53°44'47" EAST, 63.00 FEET (NORTHEASTERLY, 63.00 FEET PER SAID "PORTUGESE HALL ANNEXATION");
(31) SOUTH 37°20'44" EAST, 98.00 FEET (SOUTHEASTERLY, 98.00 FEET PER SAID "PORTUGESE HALL ANNEXATION") TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT FROM WHICH POINT A CHORD BEARS NORTH 55°46'06" EAST, 535.23 FEET;
(32) THENCE ALONG SAID CURVE, HAVING A RADIUS OF 5060.00 FEET, THROUGH A CENTRAL ANGLE OF 06°03'48", AN ARC LENGTH OF 535.48 FEET;
(33) NORTH 58°48'00" EAST, 495.95 FEET;

THENCE ALONG THE SOUTHWESTERLY AND NORTHWESTERLY LINE OF SAID "EUGENE ANNEXATION", RESOLUTION 1-77, THE FOLLOWING SEVEN (7) COURSES:

(34) NORTH 51°11'00" WEST, 98.25 FEET;
(35) NORTH 75°11'00" WEST, 55.31 FEET;
(36) NORTH 78°46'00" WEST, 102.20 FEET;
(37) NORTH 15°00'00" EAST, 20.70 FEET;
(38) NORTH 59°14'00" EAST, 82.70 FEET;
(39) NORTH 25°34'00" EAST, 77.63 FEET;
(40) SOUTH 55°00'00" EAST, 15.00 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 031-250-022 BY THE PLACER COUNTY ASSESSOR;

(41) THENCE NORTH 00°30'09" EAST, 39.62 FEET ALONG THE WESTERLY LINE TO THE NORTHWEST CORNER OF SAID PARCEL, SAID CORNER BEING COMMON WITH THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 031-250-033 BY THE PLACER COUNTY ASSESSOR;

(42)THENCE NORTH 00°28'56" EAST, 104.06 FEET ALONG THE WESTERLY LINE TO THE NORTHWEST CORNER OF SAID PARCEL, SAID CORNER BEING COMMON WITH THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 031-250-036 BY THE PLACER COUNTY ASSESSOR;

(43)THENCE NORTH 00°57'44" EAST, 506.08 FEET ALONG THE WESTERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 031-250-036, 031-250-006, 031-250-004 AND 031-241-007 BY THE PLACER COUNTY ASSESSOR;

(44)THENCE SOUTH 89°24'40" EAST, 349.21 FEET ALONG THE NORTHERLY LINE TO THE NORTHEAST CORNER OF THAT PARCEL, ASSIGNED THE APN NUMBER 031-241-007, SAID CORNER BEING COMMON WITH THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 031-241-008 BY THE PLACER COUNTY ASSESSOR;

(45)THENCE SOUTH 86°23'40" EAST, 151.48 FEET ALONG THE NORTHERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 031-241-008, 031-241-009 AND 031-241-013 BY THE PLACER COUNTY ASSESSOR, TO THE CORNER COMMON WITH THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 031-241-014 BY THE PLACER COUNTY ASSESSOR;

(46)THENCE SOUTH 89°18'16" EAST, 156.01 FEET ALONG THE NORTHERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 031-241-014 AND 031-241-007 BY THE PLACER COUNTY ASSESSOR, TO THE NORTHEAST CORNER OF SAID PARCEL, SAID CORNER BEING A POINT ON THE WEST LINE OF SECTION 19, TOWNSHIP 12 NORTH, RANGE 8 EAST; SAID POINT ALSO BEING ON THE WEST LINE OF "INDUSTRIAL PARCEL ANNEXATION", RESOLUTION 72-11;

(47)THENCE NORTH 00°14'00" EAST, 861.02 FEET,ALONG SAID WEST LINE AND ALONG THE WESTERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 040-140-023, 040-140-024 AND 040-140-037 BY THE PLACER COUNTY ASSESSOR AND ALONG SAID SECTION LINE TO THE NORTHWEST CORNER OF "INDUSTRIAL PARCEL ANNEXATION", RESOLUTION 72-11;

THENCE ALONG THE NORTHERLY BOUNDARY LINE OF SAID "INDUSTRIAL PARCEL ANNEXATION" TO THE NORTHWESTERLY LINE OF "LORANG ANNEXATION", RESOLUTION 15-76, THE FOLLOWING THREE (3) COURSES:

(48) THENCE LEAVING SAID SECTION LINE SOUTH 79°26'00" EAST, 471.21 FEET AND ALONG THE NORTHERLY LINE OF SAID PARCEL, ASSIGNED THE APN NUMBER 040-140-037 BY THE PLACER COUNTY ASSESSOR;

(49) SOUTH 73°20'00" EAST, 168.64 FEET;

(50) SOUTH 80°29'00" EAST, 1067.39 FEET TO THE NORTHWESTERLY LINE OF "TAYLOR ROAD";

THENCE ALONG THE NORTHERLY LINE OF SAID "LORANG ANNEXATION", RESOLUTION 15-76 TO THE NORTHERLY LINE OF "RSC DEVELOPMENT ANNEXATION", RESOLUTION NO. 90-1, RECORDED IN DOCUMENT NO. 90-072332, THE FOLLOWING TWELVE (12) COURSES:

- (51) ALONG SAID LINE OF "TAYLOR ROAD", NORTH 31°30'00" EAST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;
- (52) ALONG SAID CURVE, HAVING A RADIUS OF 330.00 FEET, THROUGH A CENTRAL ANGLE OF 17°55'00", AN ARC LENGTH OF 103.19 FEET;
- (53) NORTH 49°30'00" EAST, A DISTANCE OF 102.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;
- (54) ALONG SAID CURVE, HAVING A RADIUS OF 430.00 FEET, THROUGH A CENTRAL ANGLE OF 46°05'00", AN ARC LENGTH OF 345.85 FEET;
- (55) SOUTH 84°30'00" EAST, A DISTANCE OF 309.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;
- (56) ALONG SAID CURVE, HAVING A RADIUS OF 2830.00 FEET, THROUGH A CENTRAL ANGLE OF 02°26'00", AN ARC LENGTH OF 120.19 FEET TO THE BEGINNING OF A COMPOUND CURVE TO THE RIGHT;
- (57) ALONG SAID CURVE, HAVING A RADIUS OF 1550.00 FEET, THROUGH A CENTRAL ANGLE OF 01°29'00", AN ARC LENGTH OF 40.13 FEET;
- (58) NORTH 30°00'00" EAST, 260.00 FEET, LEAVING THE NORTHERLY LINE OF "TAYLOR ROAD", ALONG THE NORTHWESTERLY BOUNDARY LINE OF THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 040-320-009 BY THE PLACER COUNTY ASSESSOR;
- (59) NORTH 86°30'00" EAST, 155.00 FEET;
- (60) SOUTH 49°45'00" EAST, 569.00 FEET TO THE NORTHERLY LINE OF "OPHIR ROAD" AND THE BEGINNING OF A NON- TANGENT CURVE TO THE LEFT, FROM WHICH POINT A CHORD BEARS SOUTH 87°46'00" EAST, 555.54 FEET;
- (61) THENCE ALONG SAID NORTHERLY LINE AND SAID CURVE, HAVING A RADIUS OF 2460.00 FEET, THROUGH A CENTRAL ANGLE OF 12°58'00", AN ARC LENGTH OF 556.73 FEET;
- (62) THENCE SOUTH 04°15'00" EAST, 341.00 FEET, LEAVING SAID NORTHERLY LINE AND CROSSING SAID OPHIR ROAD AND INTERSTATE 80 TO THE SOUTHERLY LINE OF SAID INTERSTATE 80, SAID POINT BEING THE NORTHWESTERLY CORNER OF "RSC DEVELOPMENT ANNEXATION", RESOLUTION NO. 90-1, RECORDED IN DOCUMENT #90-0072332;

THENCE ALONG THE NORTHERLY, EASTERLY AND SOUTHERLY BOUNDARY LINES OF SAID "RSC DEVELOPMENT ANNEXATION" THE FOLLOWING SIX (6) COURSES:

- (63) NORTH 81°50'44" EAST, 262.97 FEET;
- (64) NORTH 76°58'58" EAST, 177.01 FEET;
- (65) NORTH 85°29'03" EAST, 330.29 FEET;
- (66) SOUTH 28°39'00" EAST, 234.87 FEET;

(67) SOUTH 04°18'10" EAST, 349.95 FEET;
(68) SOUTH 85°41'50" WEST, 864.47 FEET TO THE SOUTHEAST CORNER OF
"LORANG ANNEXATION", RESOLUTION NO. 15-76, SAID POINT BEING ON
THE NORTHERLY RIGHT-OF-WAY LINE OF THE SOUTHERN PACIFIC
RAILROAD COMPANY;

THENCE ALONG THE SOUTHERLY BOUNDARY LINES OF SAID "LORANG
ANNEXATION" THE FOLLOWING SIX (6) COURSES:

(69) ALONG SAID RIGHT-OF WAY LINE, SOUTH 85°15'00" WEST, 484.00 FEET;
(70) NORTH 64°00'00" WEST, 559.00 FEET TO THE BEGINNING OF A TANGENT
CURVE TO THE LEFT;
(71) THENCE ALONG SAID CURVE, HAVING A RADIUS OF 900.00 FEET,
THROUGH A CENTRAL ANGLE OF 25°40'00", AN ARC LENGTH OF 403.17
FEET TO A POINT ON THE NORTH-SOUTH QUARTER SECTION LINE OF SAID
SECTION 19 AND THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;
(72) THENCE CONTINUING ALONG SAID CURVE, HAVING A RADIUS OF
900.00 FEET, THROUGH A CENTRAL ANGLE OF 17°23'00", AN ARC LENGTH OF
273.06 FEET;
(73) SOUTH 68°30'00" WEST, 376.00 FEET, LEAVING SAID NORTHERLY RIGHT-
OF-WAY LINE AND ALONG THE SOUTHEASTERLY LINE OF INTERSTATE 80;
(74) SOUTH 27°45'00" WEST, 207.00 FEET;

(75) THENCE LEAVING SAID SOUTHEASTERLY LINE OF INTERSTATE 80 AND
THE BOUNDARY LINE OF SAID "LORANG ANNEXATION",
NORTH 89°11'10" EAST, 713.83 FEET;

(76) THENCE SOUTH 00°03'48" EAST, 196.86 FEET, ALONG THE EASTERLY
LINE OF THE PARCEL, ASSIGNED THE APN NUMBER 040-330-001 BY THE
PLACER COUNTY ASSESSOR;

(77) THENCE SOUTH 84°39'55" WEST, 16.51 FEET ALONG THE SOUTHERLY
LINE OF SAID PARCEL TO THE NORTHEAST CORNER OF THAT CERTAIN
PARCEL, ASSIGNED THE APN NUMBER 040-186-001 BY THE PLACER
COUNTY ASSESSOR;

(78) THENCE SOUTH 02°14'12" EAST, 379.10 FEET ALONG THE EASTERLY
LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 040-186-001, 040-186-
009, 040-186-019, 040-186-012, 040-186-017, 040-186-018, 040-186-016 AND 040-
186-014 BY THE PLACER COUNTY ASSESSOR;

(79) THENCE SOUTH 00°19'00" WEST, 211.23 FEET ALONG THE EASTERLY
LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 040-186-007 AND
040-150-020;

(80) THENCE SOUTH 00°20'04" WEST, 543.53 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL WITH APN NUMBER 040-150-020, SAID POINT BEING THE NORTHEAST CORNER OF "NEWCASTLE/ROSE ANNEXATION", RESOLUTION NO. 68-8 AND BEING ON THE NORTH-SOUTH QUARTER SECTION LINE OF SAID SECTION 19;

THENCE ALONG THE EASTERLY AND SOUTHERLY BOUNDARY LINE OF SAID "NEWCASTLE/ROSE ANNEXATION", RESOLUTION NO. 68-8 THE FOLLOWING TWO (2) COURSES:

(81) ALONG SAID NORTH-SOUTH QUARTER SECTION LINE OF SAID SECTION 19, SOUTH 00°13'29" EAST, 1323.00 FEET;

(82) ALONG THE SOUTH LINE OF SAID SECTION 19, SOUTH 89°58'30" WEST, 741.75 FEET TO THE EAST CORNER OF "LOVELAND ANNEXATION", RESOLUTION NO. 1-96, RECORDED IN DOCUMENT NO. 96-0021823;

THENCE ALONG THE SOUTHEASTERLY AND SOUTHWESTERLY BOUNDARY LINE OF SAID "LOVELAND ANNEXATION", THE FOLLOWING FIVE (5) COURSES:

(83) SOUTH 40°53'29" WEST, 131.20 FEET;

(84) SOUTH 54°19'30" WEST, 226.00 FEET;

(85) SOUTH 64°07'30" WEST, 144.70 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF NEWCASTLE ROAD;

(86) NORTH 54°23'03" WEST, 60.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID NEWCASTLE ROAD;

(87) ALONG SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 19°29'09" EAST, 165.00 FEET;

(88) THENCE LEAVING THE BOUNDARY LINE OF SAID "LOVELAND ANNEXATION", SOUTH 89°22'14" WEST, 169.80 FEET;

(89) NORTH 09°25'27" WEST, 154.37 FEET;

(90) NORTH 88°45'05" WEST, 335.34 FEET;

THENCE ALONG THE EASTERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 042-010-005, 042-010-023 AND 042-010-024 BY THE PLACER COUNTY ASSESSOR, TO THE NORTHEAST CORNER OF THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 042-010-022 BY THE PLACER COUNTY ASSESSOR, THE FOLLOWING FIVE (5) COURSES:

(91) SOUTH 00°23'34" EAST, 137.74 FEET;

(92) SOUTH 17°03'34" EAST, 67.35 FEET;

(93) SOUTH 04°33'03" WEST, 969.86 FEET;

(94) SOUTH 12°00'17" WEST, 355.33 FEET;

(95) SOUTH 18°58'12" WEST, 265.38 FEET;

(96) THENCE SOUTH 19°53'48" WEST, 450.81 FEET ALONG THE EASTERLY LINE TO THE SOUTHEAST CORNER OF SAID PARCEL, ASSIGNED THE APN NUMBER 042-010-022 BY THE PLACER COUNTY ASSESSOR, SAID CORNER BEING COMMON WITH THAT CERTAIN PARCEL, ASSIGNED THE APN NUMBER 042-010-021 BY THE PLACER COUNTY ASSESSOR;

(97) THENCE SOUTH 32°17'04" WEST, 568.15 FEET ALONG THE EASTERLY LINES OF THE PARCELS, ASSIGNED THE APN NUMBERS 042-010-021 AND 042-010-001 BY THE PLACER COUNTY ASSESSOR, TO THE SOUTHEASTERLY BOUNDARY OF SAID "KENTUCKY GREENS ANNEXATION", RESOLUTION NO. 87-2;

THENCE ALONG SAID BOUNDARY, THE FOLLOWING FOUR (4) COURSES:

(98) SOUTH 50°07'48" EAST, 49.83 FEET;

(99) SOUTH 43°32'31" WEST, 680.62 FEET;

(100) NORTH 17°59'21" WEST, 545.00 FEET TO THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 25;

(101) ALONG SAID QUARTER SECTION LINE, SOUTH 89°03'57" WEST, 1523.06 FEET TO THE SOUTHWEST CORNER OF SAID "KENTUCKY GREENS ANNEXATION" AND THE SOUTHEAST CORNER OF SAID NEWCASTLE SANITARY DISTRICT PROPERTY;

(102) THENCE ALONG SAID QUARTER SECTION LINE AND THE SOUTHERLY LINE OF SAID NEWCASTLE SANITARY DISTRICT PROPERTY, SOUTH 89°03'57" WEST, 1232.63 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PROPERTY NOT A PART OF THE NEWCASTLE SANITARY DISTRICT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT, EARLIER DESCRIBED AS POINT "A", BEING ON THE NORTHERLY SECTION LINE OF SAID SECTION 25;

THENCE ALONG SAID SECTION LINE, NORTH 89° 05' 22" EAST, 618.87 FEET TO AN ANGLE POINT ON THE EAST LINE OF SAID "BRINKMAN ANNEXATION", RESOLUTION NO. 2007-01, ALSO BEING THE POINT OF BEGINNING 2.

THENCE FROM SAID POINT OF BEGINNING 2, ALONG THE EASTERLY LINE OF SAID "BRINKMAN ANNEXATION", THE FOLLOWING TEN (10) COURSES:

(201) NORTH 01°45'00" EAST, 99.89 FEET;
(202) NORTH 07°10'00" EAST, 100.00 FEET;
(203) NORTH 24°00'00" EAST, 74.00 FEET;
(204) NORTH 12°00'00" EAST, 40.00 FEET;
(205) NORTH 05°10'00" EAST, 70.00 FEET;
(206) NORTH 14°00'00" EAST, 70.00 FEET;
(207) NORTH 21°00'00" EAST, 70.00 FEET;
(208) NORTH 04°30'00" EAST, 80.00 FEET;
(209) NORTH 06°50'00" WEST, 65.00 FEET;
(210) NORTH 22°00'00" WEST, 50.00 FEET TO THE SOUTHWEST CORNER OF THE "GRANVILLE ANNEXATION", RESOLUTION NO. 2006-04;

(211) THENCE NORTH 49°40'38" EAST, 723.81 FEET, ALONG THE SOUTHEASTERLY LINE OF SAID ANNEXATION;

(212) THENCE LEAVING SAID LINE, SOUTH 20°44'00" EAST, 1205.16 FEET, ALONG THE EASTERLY LINE OF THE PARCELS, ASSIGNED THE APN NUMBERS 031-241-039, 031-241-038 AND 031-241-037 BY THE PLACER COUNTY ASSESSOR AND ALONG THE RIGHT OF WAY LINE OF "KENTUCKY GREENS WAY", TO THE NORTHERLY SECTION LINE OF SAID SECTION 25, ALSO BEING THE SOUTHEAST CORNER OF SAID PARCEL, ASSIGNED THE APN NUMBER 031-241-037 BY THE PLACER COUNTY ASSESSOR;

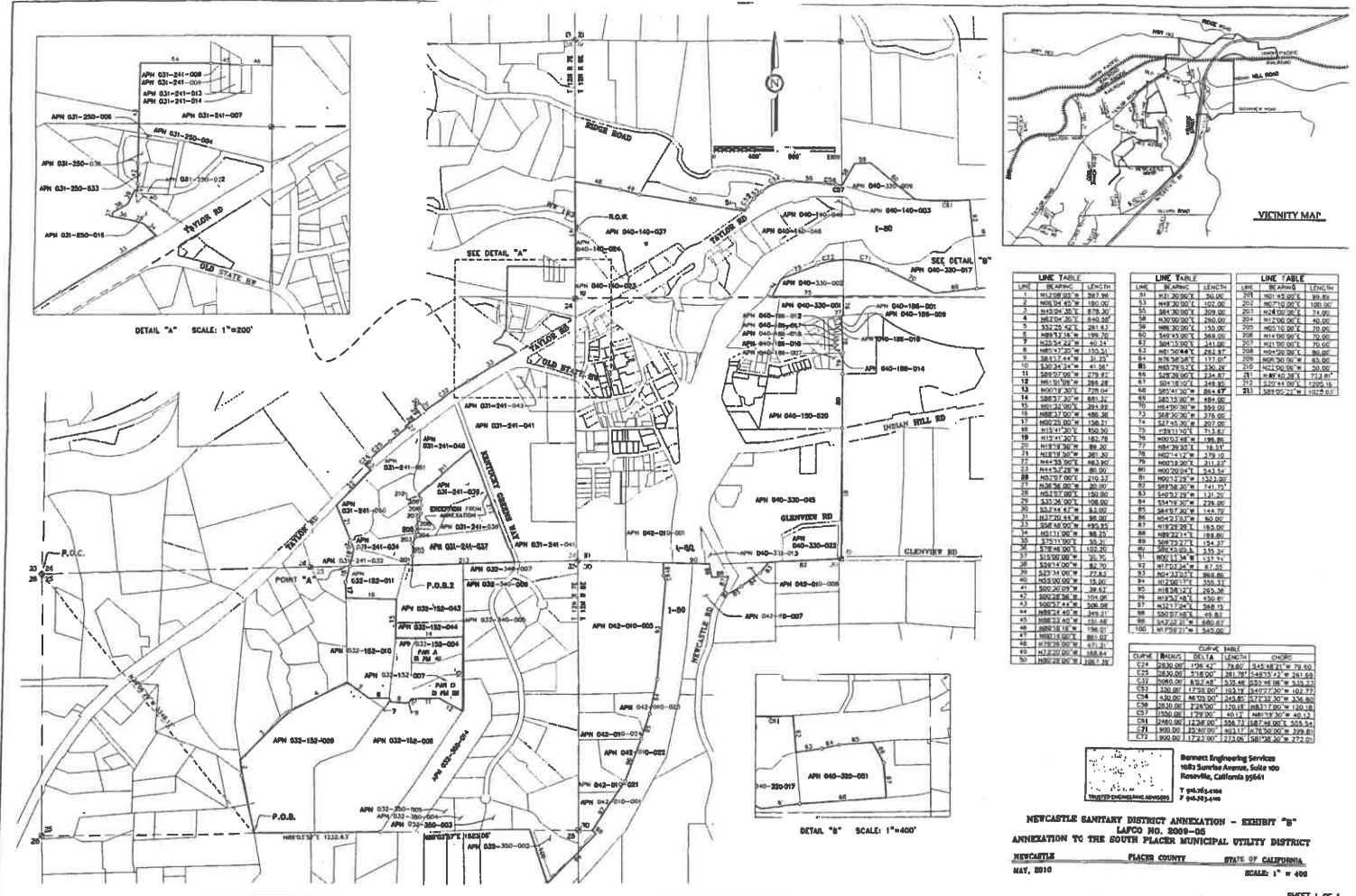
(213) THENCE SOUTH 89°05'22" WEST, 1022.03 FEET ALONG SAID SECTION LINE AND ALONG THE SOUTHERLY LINE OF SAID PARCEL TO THE POINT OF BEGINNING 2.

CONTAINING A TOTAL AREA OF 517.25 ACRES, MORE OR LESS

THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

Dirk J. de Valk, P.L.S. 8139
Expires 12/31/2010

Dated: _____



LINE TABLE			LINE TABLE			LINE TABLE		
LINE	BEARING	LENGTH	LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
1	N 89° 00' 00" W	393.88	31	S 71° 30' 00" E	94.00	70	S 89° 45' 00" E	179.48
2	N 85° 04' 42" W	190.00	32	N 89° 30' 00" E	197.00	71	N 87° 15' 00" E	179.48
3	N 84° 04' 42" E	878.50	33	N 84° 30' 00" E	309.00	72	N 84° 00' 00" E	114.00
4	N 82° 04' 42" E	843.00	34	N 82° 00' 00" E	260.00	73	N 81° 30' 00" E	40.00
5	S 72° 29' 42" E	261.82	35	N 80° 30' 00" E	130.00	74	N 80° 15' 00" E	20.00
6	N 80° 31' 18" E	189.20	36	S 89° 45' 00" E	348.00	75	N 79° 15' 00" E	20.00
7	N 78° 31' 18" E	150.51	37	S 87° 15' 00" E	241.88	76	N 78° 15' 00" E	20.00
8	N 76° 31' 18" E	111.23	38	N 85° 00' 00" E	254.87	77	N 76° 15' 00" E	20.00
9	N 74° 31' 18" E	71.95	39	N 82° 30' 00" E	177.00	78	N 74° 15' 00" E	20.00
10	N 72° 31' 18" E	32.67	40	N 80° 00' 00" E	100.00	79	N 72° 15' 00" E	20.00
11	N 70° 31' 18" E	13.39	41	N 77° 30' 00" E	224.87	80	N 70° 15' 00" E	20.00
12	N 68° 31' 18" E	284.88	42	N 75° 00' 00" E	350.00	81	N 68° 15' 00" E	110.00
13	N 66° 31' 18" E	728.04	43	N 72° 30' 00" E	484.87	82	N 66° 15' 00" E	110.00
14	N 64° 31' 18" E	188.31	44	N 70° 00' 00" E	619.74	83	N 64° 15' 00" E	110.00
15	N 62° 31' 18" E	324.21	45	N 67° 30' 00" E	754.61	84	N 62° 15' 00" E	110.00
16	N 60° 31' 18" E	460.11	46	N 65° 00' 00" E	889.48	85	N 60° 15' 00" E	110.00
17	N 58° 31' 18" E	596.01	47	N 62° 30' 00" E	1024.35	86	N 58° 15' 00" E	110.00
18	N 56° 31' 18" E	731.91	48	N 60° 00' 00" E	1159.22	87	N 56° 15' 00" E	110.00
19	N 54° 31' 18" E	867.81	49	N 57° 30' 00" E	1294.09	88	N 54° 15' 00" E	110.00
20	N 52° 31' 18" E	1003.71	50	N 55° 00' 00" E	1428.96	89	N 52° 15' 00" E	110.00
21	N 50° 31' 18" E	1139.61	51	N 52° 30' 00" E	1563.83	90	N 50° 15' 00" E	110.00
22	N 48° 31' 18" E	1275.51	52	N 50° 00' 00" E	1698.70	91	N 48° 15' 00" E	110.00
23	N 46° 31' 18" E	1411.41	53	N 47° 30' 00" E	1833.57	92	N 46° 15' 00" E	110.00
24	N 44° 31' 18" E	1547.31	54	N 45° 00' 00" E	1968.44	93	N 44° 15' 00" E	110.00
25	N 42° 31' 18" E	1683.21	55	N 42° 30' 00" E	2103.31	94	N 42° 15' 00" E	110.00
26	N 40° 31' 18" E	1819.11	56	N 40° 00' 00" E	2238.18	95	N 40° 15' 00" E	110.00
27	N 38° 31' 18" E	1955.01	57	N 37° 30' 00" E	2373.05	96	N 38° 15' 00" E	110.00
28	N 36° 31' 18" E	2090.91	58	N 35° 00' 00" E	2507.92	97	N 36° 15' 00" E	110.00
29	N 34° 31' 18" E	2226.81	59	N 32° 30' 00" E	2642.79	98	N 34° 15' 00" E	110.00
30	N 32° 31' 18" E	2362.71	60	N 30° 00' 00" E	2777.66	99	N 32° 15' 00" E	110.00
31	N 30° 31' 18" E	2498.61	61	N 27° 30' 00" E	2912.53	100	N 30° 15' 00" E	110.00
32	N 28° 31' 18" E	2634.51	62	N 25° 00' 00" E	3047.40			
33	N 26° 31' 18" E	2770.41	63	N 22° 30' 00" E	3182.27			
34	N 24° 31' 18" E	2906.31	64	N 20° 00' 00" E	3317.14			
35	N 22° 31' 18" E	3042.21	65	N 17° 30' 00" E	3452.01			
36	N 20° 31' 18" E	3178.11	66	N 15° 00' 00" E	3586.88			
37	N 18° 31' 18" E	3314.01	67	N 12° 30' 00" E	3721.75			
38	N 16° 31' 18" E	3449.91	68	N 10° 00' 00" E	3856.62			
39	N 14° 31' 18" E	3585.81	69	N 7° 30' 00" E	3991.49			
40	N 12° 31' 18" E	3721.71	70	N 5° 00' 00" E	4126.36			
41	N 10° 31' 18" E	3857.61	71	N 2° 30' 00" E	4261.23			
42	N 8° 31' 18" E	3993.51	72	N 0° 00' 00" E	4396.10			
43	N 6° 31' 18" E	4129.41						
44	N 4° 31' 18" E	4265.31						
45	N 2° 31' 18" E	4401.21						
46	N 0° 31' 18" E	4537.11						
47	N 15° 00' 00" E	4673.01						
48	N 12° 30' 00" E	4808.91						
49	N 10° 00' 00" E	4944.81						
50	N 7° 30' 00" E	5080.71						

NEWCASTLE SANITARY DISTRICT ANNEXATION - EXHIBIT "B"
ANNEXATION TO THE SOUTH PLACER MUNICIPAL UTILITY DISTRICT
 NEWCASTLE PLACER COUNTY STATE OF CALIFORNIA
 MAY, 2010 SCALE: 1" = 400'

Business Engineering Services
 1085 Sunrise Avenue, Suite 100
 Roseville, California 95661
 T 916.436.8888
 F 916.436.8888

EXHIBIT C
PRSC & PRPF CALCS

8/19/201

DISCRIPTION	AMOUNT		REMARKS:
CONSTRUCTION CONTRACT(S) COST	\$ 3,470,686	a	F.M/L.S./DECOMMISSION CONTRACT+SYS RPR CONTRACT LOW BIDS
CONST. MGM'T & MISC. COST	\$ 324,268	b	ENGINEERS ESTIMATE
CONST. CONTRACT CONTINGENCY	\$ 633,077	c	ENGINEERS ESTIMATE
NSD REQUESTED CONTINGENCY	\$ 106,346	d	TO ROUND OUT THE LOAN REPAYMENT AMT
REGIONAL FEE	\$ 1,898,479	e	298.55EDUx\$6359 (REGIONAL FEE)
SPMUD PREVIOUS LOANS	\$ 410,000	f	60K(SEWER ACCESSMENT) + 350K (INTERIN LOAN)
TOTAL "PROJECT" COST	\$ 6,842,856	g	a+b+c+d+e+f
EPA FUNDS	\$ (1,282,856)	h	VIA PLACER COUNTY
TOTAL SPMUD LOANS TO NSD	\$ 5,560,000	i	g+h
ESCROW AMT	\$ 5,150,000	j	i-f
NSD LAND CREDIT	\$ (675,000)	k	AVERAGE OF THE TWO LAND APPRESALS
NSD LOAN REPAYMENT	\$ 4,885,000	l	i-k

NOTES:

- CONVERSION FACTOR = 0.003298
- [1] ANNUAL LOAN REPAYMENT BASED ON A LOAN AMT OF: **\$ 4,885,000** @ 2.5% OVER 40 YEARS, FOR A MONTHLY LOAN RPMT OF: **\$ 16,111**
- a) PROJECT RELATED SERVICE CHARGE (PRSC) \$ 16,111 /mo/299EDU = \$ 53.96 /mo/EDU
- b) TOTAL PRSC COST/EDU: \$ 54 x 480 pymts = \$ 25,902 /EDU
- c) TOTAL REPAYMENT AMOUNT FOR NSBA: \$ 25,902 x 299 EDU = \$ 7,733,151 /NSD
- [2] PROJECT RELATED PARTICIPATION FEE (PRPF) FOR ALL NEW CONNECTIONS TO THE NEWCASTLE SPECIAL BENEFIT AREA (NSBA):
- a) DETERMINE CONNECTION FEE PORTION OF TOTAL CAPITAL COST (REG.FEE/PROJ.COST): 28% THEN MTY.PRPF IS: [1-%] x PRSC= \$ 38.99
- b) THEN YEARLY PRPF IS 12 TIMES MTLY PRPF (39X12): \$ 468
- c) PRPF ANNUAL REDUCTION RATE: \$ 468 / 40 = \$ 12

EXHIBIT D - NSBA LOAN REPAYMENT TABLE

DON'T MESS WITH THE FORMAT, THERE ARE HIDDEN COLUMNS AND ROWS THAT CONTAIN CALCULATIONS

NSBA LOAN REPAYMENT (RETURN TO CAPITAL FUND)									
A	B	C		D	E	F	G	H	I
NO. OF YRS	CAL YR	YRLY NEW EDU	YRLY PRPF ADJUSTMENT [3]	PRPF PYMT [2]	PRPF FUNDS NEW EDU'S (Cx D)	TOT. NSBA EDUs	NSBA PRSC PYMT [1]	ANNUAL LOAN REPAYM'T (F x G)	LOAN PAY-OFF (I-E-H) [4]
*	2011	-		\$ -	\$ -	0.0		\$ -	\$ 7,733,151
1	2012	-		\$ -	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,539,691
2	2013	-	\$ 468	\$ 468	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,346,230
3	2014	-	\$ 456	\$ 924	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,152,770
4	2015	-	\$ 444	\$ 1,368	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,959,310
5	2016	-	\$ 432	\$ 1,800	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,765,849
6	2017	-	\$ 420	\$ 2,220	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,572,389
7	2018	-	\$ 408	\$ 2,628	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,378,928
8	2019	-	\$ 396	\$ 3,024	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,185,468
9	2020	-	\$ 384	\$ 3,408	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,992,008
10	2021	-	\$ 372	\$ 3,780	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,798,547
11	2022	-	\$ 360	\$ 4,140	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,605,087
12	2023	-	\$ 348	\$ 4,488	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,411,626
13	2024	-	\$ 336	\$ 4,824	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,218,166
14	2025	-	\$ 324	\$ 5,148	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,024,706
15	2026	-	\$ 312	\$ 5,460	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,831,245
16	2027	-	\$ 300	\$ 5,760	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,637,785
17	2028	-	\$ 288	\$ 6,048	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,444,324
18	2029	-	\$ 276	\$ 6,324	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,250,864
19	2030	-	\$ 264	\$ 6,588	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,057,404
20	2031	-	\$ 252	\$ 6,840	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,863,943
21	2032	-	\$ 240	\$ 7,080	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,670,483
22	2033	-	\$ 228	\$ 7,308	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,477,022
23	2034	-	\$ 216	\$ 7,524	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,283,562
24	2035	-	\$ 204	\$ 7,728	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,090,102
25	2036	-	\$ 192	\$ 7,920	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,896,641
26	2037	-	\$ 180	\$ 8,100	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,703,181
27	2038	-	\$ 168	\$ 8,268	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,509,720
28	2039	-	\$ 156	\$ 8,424	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,316,260
29	2040	-	\$ 144	\$ 8,568	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,122,800
30	2041	-	\$ 132	\$ 8,700	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,929,339
31	2042	-	\$ 120	\$ 8,820	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,735,879
32	2043	-	\$ 108	\$ 8,928	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,542,418
33	2044	-	\$ 96	\$ 9,024	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,348,958
34	2045	-	\$ 84	\$ 9,108	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,155,498
35	2046	-	\$ 72	\$ 9,180	\$ -	298.6	\$ 54	\$ 193,460	\$ 962,037
36	2047	-	\$ 60	\$ 9,240	\$ -	298.6	\$ 54	\$ 193,460	\$ 768,577
37	2048	-	\$ 48	\$ 9,288	\$ -	298.6	\$ 54	\$ 193,460	\$ 575,116
38	2049	-	\$ 36	\$ 9,324	\$ -	298.6	\$ 54	\$ 193,460	\$ 381,656
39	2050	-	\$ 24	\$ 9,348	\$ -	298.6	\$ 54	\$ 193,460	\$ 188,196
40	2051	-	\$ 12	\$ 9,360	\$ -	298.6	\$ 54	\$ 193,460	\$ (5,265)
TOTALS:									[4]

* ESTIMATED NSD NET CASH ASSETS AFTER DISSOLUTION

=> TO BE FILLED IN EACH YEAR

NOTES: (SEE PRSC&PRPF CALCS SPREADSHEET)

[1] BASED ON LOAN OF \$4,885,000 @ 25 OVER 40 YEARS .

[2] THE ANNUAL PRPF IS \$468 (FROM EXHIBIT A).

[3] STRIGHT LINE 40 YEAR DEPRECIATION RATE IS \$12/YR (\$468 / 40 YR).

[4] LOAN IS PAID OFF WHEN COLUMN "I" REACHES ZERO

RESOLUTION NO. 10-09

APPENDIX

**ATTACHMENT A
ANNEXATION AGREEMENT
(W/O ATTACHMENTS)**

**AGREEMENT
BETWEEN SOUTH PLACER MUNICIPAL UTILITY DISTRICT
AND NEWCASTLE SANITARY DISTRICT REGARDING
ANNEXATION AND DISSOLUTION**

This Agreement ("Agreement") is made and effective as of 10-13-09, and entered into by and between the South Placer Municipal Utility District, a municipal utility district, hereinafter referred to as "SPMUD", and Newcastle Sanitary District, a public agency, hereinafter referred to as "NSD."

WITNESSETH

WHEREAS, NSD is required to continually meet increasingly stringent wastewater requirements of the California Regional Water Quality Control Board, non-compliance with which can result in costly fines and penalties; and

WHEREAS, in order to assess the requirements to continue to meet state water quality laws and wastewater regulations and alternatives thereto, and to improve its wastewater system and provide a high level of service to its customers, NSD has been conducting various studies related thereto; and

WHEREAS, resulting therefrom, NSD has determined that decommissioning its treatment ponds and having its territory receive wastewater service through SPMUD best ensures a high level of wastewater service to its customers; and

WHEREAS, SPMUD and NSD agree that SPMUD is the logical agency to provide said wastewater service and that said service will further SPMUD's interest in protecting the watershed; and

WHEREAS, annexation of the NSD area to SPMUD is in the public interest; and

WHEREAS, certain improvements to the NSD wastewater system are required to be made in connection with the annexation, and NSD has been and is taking steps related to the study, design and acquisition of funds for the required improvements to the wastewater system; and

WHEREAS, this Agreement is authorized by Sections 13801 and 13802, et seq., of Division 6 of the Public Utilities Code of the State of California.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Definitions.

Words and phrases used in this Agreement have the following meaning:

a. "SPMUD" means the South Placer Municipal Utility District, its officers, employees, and agents, and/or the area within its legal boundaries.

b. "NSD" means the Newcastle Sanitary District, its officers, employees, and agents, and the area within its legal boundaries.

c. "NSD area" means the whole of the territory within the legal boundaries of NSD to be annexed to the SPMUD.

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

e. "COE" means the United States Army Corps of Engineers.

f. "LAFCO" means the Local Agency Formation Commission of Placer County.

g. "Participation Charge," also known as connection fee, shall mean the sum paid to SPMUD in lawful money of the United States, and comprised of (i) a local component associated with the privilege of connecting to SPMUD's collection and transmission facilities whether such connection be voluntary or mandatory; and (ii) a regional component associated with treatment and disposal capacity at the South Placer Wastewater Authority ("SPWA") facilities.

h. "Project" means the Newcastle Sanitary District Wastewater Treatment Plant Closure and Pipeline Project, and includes, but is not limited to, decommissioning and/or removing from service any existing NSD wastewater treatment pond(s), spray field(s) or other facilities; construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, connections to existing facilities, and acquisition of easements and/or rights-of-way in order to connect the NSD customers to the SPMUD wastewater system; rehabilitation of the existing NSD wastewater system as necessary for the connection of the NSD customers to the SPMUD wastewater system; and any other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system, together with any and all studies, reports, and designs related thereto.

i. "Wastewater system" means all facilities for collecting, pumping, transporting, and disposing of wastewater.

2. Purpose and Intent of Agreement.

The purpose and intent of this Agreement is to establish the terms and conditions and institutional arrangement between the parties for effecting the annexation of the NSD area into SPMUD, for the dissolution of NSD, and for the design, construction and transfer of the Project facilities to SPMUD.

3. Annexation.

a. The annexation of the NSD area, as shown on Exhibit "A", attached hereto and incorporated herein, to SPMUD shall be effected in accordance with the Cortese-Knox-

Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of the Government Code).

b. NSD and SPMUD shall cause an application to be filed with LAFCO to annex the NSD area to SPMUD. An amendment to the SPMUD's existing sphere of influence is a necessary part of the annexation. SPMUD agrees that it supports the annexation of the NSD area into SPMUD. The parties will cooperate as may be necessary and permissible under law, and as required by LAFCO procedures, for the parties to carry forward the filing of the annexation application.

c. It is intended between the parties that the annexation will become effective on the date that NSD awards a contract for the construction of the Project.

d. LAFCO will waive its fees for the annexation/dissolution.

e. SPMUD shall waive its annexation fees for lands in the NSD area and shall waive the local component of the participation charge with respect to the NSD customers existing on the effective date of the dissolution.

f. Any new customers within the NSD area applying for sewer service after the date of dissolution shall be subject to SPMUD sewer charges and participation charges then in effect and the applicable charge for repayment of the loans obtained for the Project as such charge is adopted by SPMUD through the process outlined in section 8 b.

g. Each party is to bear its own costs incurred in connection with the annexation/dissolution process, except as noted below.

4. Planning, Design and Construction of Project.

a. NSD shall be responsible for completion of the studies and planning for the Project, for the preparation of the design plans for the Project, and for the construction of the Project. The design plans and specifications shall be in accordance with the SPMUD Standard Specifications and Improvement Standards for Sanitary Sewers. Plans and specifications shall be submitted to the SPMUD for review and approval for purposes of determining consistency with the SPMUD Specifications and Standards.

b. SPMUD shall not be responsible in any way for constructing or funding the Project, except as otherwise agreed to by the parties in writing.

5. Funding.

a. Funding of the Project shall be the sole responsibility of NSD. NSD is responsible for the costs of the Project, for payment of the regional component of the participation charges to the SPMUD, and for making application for and receiving funds from the EPA and/or COE, or from other source(s).

b. Any loan obtained by NSD in connection with the Project shall be assigned to, and assumed by, SPMUD upon dissolution of NSD. NSD shall be responsible for insuring that any such loan shall be assignable to SPMUD.

c. All cash transferred to SPMUD and the proceeds from the sale of any lands transferred to SPMUD by NSD shall be used for the benefit of the NSD lands annexed to SPMUD, and specifically shall be used to pay debt service on the loans obtained in connection with the Project. To the extent the transferred cash and the proceeds of the sale of any NSD property transferred to SPMUD are used to repay loans obtained in connection with the Project, such repayment shall reduce, consistent with the amounts used to repay the loans, the period of time in which the former NSD customers are responsible for that portion of the charge collected from them related to repayment of the loans for the Project.

d. The repayment of the loans obtained in connection with the Project shall be the sole responsibility of the owners of the NSD lands annexed into SPMUD.

e. The parties hereto agree that all funds from grants, loans and other sources, and all NSD assets shall be used to benefit the NSD area, the NSD wastewater system and the Project, except as may otherwise be provided herein.

6. NSD Waste Discharge Requirements (WDR).

For the duration of the construction of the Project, and until the completion of the Project and its transfer to and acceptance by SPMUD, NSD shall comply with its WDR requirements to the extent required by the Regional Water Quality Control Board. NSD shall be responsible for determining the continued existence, if any, of the waste discharge requirements issued to NSD for its wastewater treatment facilities.

7. NSD Dissolution.

a. Pursuant to Division 3 of the Government Code of the State of California—Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Sections 56000, et. seq.), NSD will seek dissolution with such dissolution to be effective upon completion of the Project, which shall include completion of the force main, pump station, NSD system improvements and the decommissioning of the NSD ponds. The date of Project completion shall be when SPMUD accepts completion of all elements of the Project. SPMUD shall accept all elements of the Project promptly after their completion consistent with the approved plans and specifications. SPMUD will be the successor agency to NSD.

b. NSD and SPMUD agree that NSD shall retain its governing authority after the annexation of the NSD area to SPMUD for the purpose of construction of the Project, decommissioning the NSD ponds and transfer thereof to SPMUD, and for the ultimate dissolution of NSD.

c. NSD shall continue to receive its share of the Placer County Property tax revenue until it dissolves. SPMUD will be responsible for seeking allocation of the property tax revenue received by NSD after its dissolution.

d. Upon dissolution, all of NSD's property, real and personal, accounts payable and receivable, and debts and liabilities shall be transferred to, and accepted by, SPMUD.

8. Wastewater Service and Charges.

a. SPMUD shall be obligated to provide sewer service to the NSD area customers when SPMUD has adopted a resolution accepting the force main, pump station and NSD system improvements, which shall occur promptly after NSD completes such facilities consistent with the approved plans and specifications. At such time and thereafter until NSD is dissolved, SPMUD will bill NSD its current sewer service charge for each equivalent dwelling unit within the NSD area connected to the SPMUD system. NSD shall pay each such bill within 30 days after its receipt. Upon dissolution of NSD, SPMUD will bill the NSD area customers directly, and, except as otherwise specifically provided for herein, the NSD area and wastewater service customers therein will be subject to all of SPMUD's ordinances, resolutions, rules, regulations, taxes, charges, fees and assessments which may now or hereafter be in effect regarding wastewater service.

b. SPMUD will create a special zone of benefit covering the NSD lands to be effective upon the effective date of NSD's dissolution which shall be the date that SPMUD adopts a resolution accepting all elements of the Project. NSD area customers within the special zone of benefit shall be responsible for the current sewer service charge of SPMUD, plus a charge equal to the charge imposed by NSD per equivalent dwelling unit for repayment of the loans obtained in connection with the Project. SPMUD will adopt such charges through a Proposition 218 process which shall occur prior to the effective date of the annexation. The annexation shall be conditioned on there being no majority protest to such charges.

c. With respect to landowners within the NSD area applying to SPMUD for sewer service after the effective date of NSD's dissolution, wastewater service will be available on a first come, first served basis upon the payment to SPMUD of its participation charge.

d. Upon payment from NSD to SPMUD of the regional component of the participation charge for NSD's existing customers, SPMUD shall secure from SPWA wastewater treatment and disposal capacity for the existing NSD customers, which shall occur after annexation of the NSD lands to SPMUD and before NSD execution of the construction contract for the Project. Connections of the existing NSD customers to the SPMUD system shall be deemed made when SPMUD adopts the resolution set forth in subparagraph a. above.

9. Amendments/Supplemental Agreements.

This Agreement contains all the known and reasonably foreseeable covenants and Agreements between the parties with respect to the subject matter herein; provided, however, that this Agreement may be amended by, and/or supplemental agreements entered into between, the parties as may be necessary to further carry forward the purposes and intents contained herein. Any such amendment or supplemental agreement shall be in writing and be approved by the SPMUD's and NSD's respective Boards of Directors.

10. Indemnity.

a. NSD shall defend, indemnify and hold harmless the SPMUD and its officers, employees and agents from and against any and all claims, demands, causes of action, damages, costs, expenses, losses and liabilities of every kind and nature whatsoever, and any and all actions, orders, fines and penalties imposed by any local, state or federal agency, resulting from negligent acts or omissions or willful misconduct of NSD, its officers, employees or agents in connection with its activities and performance under this Agreement. This obligation shall include the defense and indemnity of the SPMUD in any action or proceeding against the SPMUD related to the NSD treatment ponds/spray field or operation thereof occurring prior to the decommissioning of the ponds and their transfer to SPMUD.

b. SPMUD shall defend, indemnify and hold harmless the NSD and its officers, employees and agents from and against any and all claims, demands, causes of action, damages, costs, expenses, losses and liabilities of every kind and nature whatsoever, and any and all actions, orders, fines and penalties imposed by any local, state or federal agency, resulting from negligent acts or omissions or willful misconduct of SPMUD, its officers, employees or agents in connection with its activities and performance under this Agreement.

11. Assignment.

Neither party hereto may assign any of its rights or obligations hereunder without the prior written consent of the other party.

12. Termination.

In the event the annexation of the NSD area into SPMUD and NSD dissolution have not been approved by LAFCO within 3 years from the effective date of this Agreement, this Agreement shall cease and terminate and neither party shall have any obligation to the other party. This Agreement also shall terminate and neither party shall have any obligation to the other party if any of the following occurs: (1) LAFCO denies the annexation or dissolution, or imposes a term or condition on the annexation or dissolution which is unacceptable to either party; (2) the annexation or dissolution is otherwise defeated; (3) the conditions precedent to such annexation or dissolution, as set forth herein, have not been satisfied; or (4) NSD fails to obtain financing satisfactory to it for the Project.

13. Severability.

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall, unless amended or modified by mutual consent of the parties, continue in full force and effect so long as enforcement of the remaining provisions would not be inequitable to the party against whom they are being enforced under the facts and circumstances then pertaining.

14. Counterparts.

This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

15. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the parties. Each individual executing this Agreement represents that he or she is duly authorized to enter its terms and conditions and to execute it on behalf of the party represented.

16. Paragraph Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

17. Attorney's Fees.

If any action at law or equity, arbitration, or other proceeding is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expert witness fees in addition to any other relief to which it may otherwise be entitled.

18. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

19. Remedies Not Exclusive.

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

20. Interpretation of this Agreement.

The parties acknowledge that each party has reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

21. Successors/Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the SPMUD, NSD, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date(s) and year(s) below written.


SOUTH PLACER MUNICIPAL UTILITY DISTRICT

Dated Oct 1, 2009



C.W. Clark, General Manager

APPROVED AS TO FORM



Adam C. Brown, SPMUD Counsel

ATTEST



Carol J. Bean, Secretary


NEWCASTLE SANITARY DISTRICT

Dated 10-13, 2009




President, Board of Directors

Attest:



Secretary, Board of Directors

APPROVED AS TO FORM



Stephen A. Kronick, Attorney for NSD

RESOLUTION NO. 10-09

APPENDIX

**ATTACHMENT B
FINANCING AGREEMENT
(W/O ATTACHMENTS)**

**EXHIBIT A – PROMISSORY NOTE
EXHIBIT B – SECURITY AGREEMENT
EXHIBIT C – PLEDGE AGREEMENT**

FINANCING AGREEMENT

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
AND
NEWCASTLE SANITARY DISTRICT**

This Financing Agreement ("Agreement") dated June 30 *WPC*, 2010 is made and entered into by and between the South Placer Municipal Utility District, a municipal utility district, hereinafter referred to as "SPMUD", and the Newcastle Sanitary District, a public agency, hereinafter referred to as "NSD".

WITNESSETH

WHEREAS, NSD has determined that decommissioning its treatment ponds and having its territory receive wastewater service through SPMUD meets both parties interest in protecting the watershed and is in the public interest; and

WHEREAS, SPMUD and NSD are in the process of annexing NSD into SPMUD, which has been submitted to LAFCO for their approval; and

WHEREAS, certain infrastructure repair and improvements to the NSD wastewater system (Project) are required to be made to comply with the conditions therein, and NSD requires financing to undertake these Project improvements, and SPMUD is willing to provide financing to NSD for a portion of Project costs; and

WHEREAS, NSD and SPMUD understand that this agreement is necessary to carry forward the purposes and intent of the annexation and dissolution agreement; and

WHEREAS, this Agreement is authorized by Sections 13801 and 13802, et seq., of Division 6 of the Public Utilities Code of the State of California (MUD Act).

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. PURPOSE AND INTENT.

The purpose and intent of this Agreement is to establish the terms, conditions and institutional arrangement between the parties, related to the partial financing of the Project by SPMUD, and the securing of the repayment of amounts advanced/financed by SPMUD.

2. DEFINITIONS.

a. "Amount Repayable" means the total amount of financing provided by SPMUD to NSD under this Agreement and prior agreements (not to exceed \$6,000,000) for NSD's use to cover the costs to carry out the Project.

b. "EDU" means Equivalent Dwelling Unit, the unit of measurement per SPMUD Ordinance 09-02, used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single family residential occupancy.

1. Residential EDU's are determined at one (1) EDU per living unit.
2. Commercial/Industrial EDU's are determined at fractions or wholes of an EDU based on square footage and type of use, and/or on flow and strength.

- c. "LAFCO" means Local Agency Formation Commission of Placer County, Calif.
- d. "NSBA" means the *Newcastle Special Benefit Area* that will establish SPMUD authority to collect the fees and charges from the NSD area.
- e. "NSD" means the Newcastle Sanitary District, its officers, employees, and agents, and the lands and area within its legal boundaries.
- f. "Project" means those improvements to be made under the Newcastle Sanitary District Wastewater Treatment Plant Closure and Pipeline Project and the Newcastle Sanitary District System Repair Project. The project elements including but not limited to:
1. decommissioning and/or removing from service any existing NSD wastewater treatment pond(s), spray field(s) or other facilities;
 2. construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, and connections to existing facilities;
 3. repairs to the NSD wastewater collection system;
 4. any other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system;
 5. the acquisition of easements and rights-of-way, project administration, and all studies, reports and designs related thereto;
 6. Related services, costs, connection charges and related fees.
- g. "Participation Charge" also known as connection fee, means the sum paid to SPMUD in lawful money of the United States, and comprised of (i) a local component associated with the privilege of connecting to SPMUD's collection and transmission facilities whether such connection be voluntary or mandatory; and (ii) a regional component associated with treatment and disposal capacity at the South Placer Wastewater Authority ("SPWA") facilities.
- h. "Project Related Service Charge (PRSC)" means the portion of the current NSD service charge declared by NSD to be the amount applied to the existing NSD area customers for repayment of the loans/financing provided by SPMUD to fund the Project.
- i. "SPMUD" means the South Placer Municipal Utility District, its officers, employees, and agents, and the lands and area within its legal boundaries.

3. RELATED AGREEMENTS

a. "Agreement between South Placer Municipal Utility District and Newcastle Sanitary District regarding Annexation and Dissolution", dated October 13, 2009 ("Annexation Agreement")

b. "Loan Agreement", "Promissory Note", "Pledge Agreement", and "Security Agreement" all between Newcastle Sanitary District and South Placer Municipal Utility District and all dated March 23, 2009 (collectively "Interim Loan")

c. "Letter of Agreement regarding South Placer Municipal Utility District (SPMUD) Assistance to Newcastle Sanitary District (NSD) for I/I and System Evaluation Work", dated May 13, 2008 ("Assistance Agreement")

d. "Promissory Note", "Pledge Agreement", and "Security Agreement" all between Newcastle Sanitary District and South Placer Municipal Utility District and all dated JUNE 29, 2010 (collectively "Loan Documents")

4. FINANCING – GENERAL PROVISIONS

a. Amount Financed: SPMUD has advanced/provided to NSD prior financing in the amount of \$410,000 (\$350,000 per the Interim Loan and \$60,000 in assistance services per the Assistance Agreement). SPMUD agrees to provide an additional amount up to \$5,590,000 for a total financed amount not to exceed \$6,000,000 for NSD use for covering the cost(s) in carrying out the Project.

b. Amount Repayable: NSD agrees that the total financed amount of \$6,000,000 or such lesser amount as may mutually be agreed by the parties at or prior to the time NSD awards a contract for the Project, is the Amount Repayable to SPMUD. Repayment shall be the obligation of NSD and the NSD area customers secured through a Project Related Service Charge (PRSC) imposed on the NSD area customers as further specified in this Agreement.

c. Interest Rate and Term: The parties agree that the amount financed is repayable at an interest rate of 2.5 % per year and a term of 40 years.

d. NSD Property Asset (Credit): NSD property is an asset of the NSD area, the value of which shall benefit the NSD area. SPMUD and NSD agree that the property's fair market value, as mutually agreed upon is \$675,000, and shall benefit the NSD area in the form of a credit against the financed Amount Repayable to SPMUD, said credit to remain fixed at the time NSD awards a contract for the Project. In consideration of the application of said benefit/credit to reduce the Amount Repayable, SPMUD shall receive title to the land upon completion of the Project and dissolution of NSD, and SPMUD shall be under no further obligation to provide any additional credit benefit to the NSD area upon the sale or disposal of the land.

e. Establishment of Escrow Account: Upon completion of the public hearing process as required under the "Obligation / Security for Repayment" provision of this Agreement, the following shall be accomplished:

1. At or prior to the effective date of the annexation and time NSD awards a contract for the Project, SPMUD agrees to establish an escrow account for the purposes of depositing an amount of up to \$5,590,000, or such lesser amount as mutually agreed by the parties.
2. The deposited amount shall be available from and after the date of the award of a contract for the Project for NSD's use in carrying out the Project.
3. Request(s) for disbursements from the escrow account shall be made in writing to SPMUD by NSD specifying the amount requested and the purpose. SPMUD must approve of the amount and purpose before it will approve the disbursements from the account.

4. In the event there is a majority protest under the Proposition 218 public hearing process, SPMUD shall be under no obligation to provide financing to NSD or deposit funds into the escrow account.

f. The parties agree that the NSD "tax share" to be received by SPMUD upon the dissolution of NSD, shall not be applied toward the repayable amount. Tax share payments received from the County of Placer will be applied to the benefit of all customers within the SPMUD service area to lower monthly service charges.

5. REPAYMENT

a. **Fixing Amount Repayable:** The Amount Repayable to SPMUD shall be established and fixed as of the date NSD awards a contract for the Project. This amount shall include the prior amounts (\$410,000) advanced/provided under the Interim Loan and the Assistance Agreement, and the additional amount provided by this Agreement of up to \$5,590,000 or such lesser amount as required or mutually agreed by the parties, adjusted by the fair market value of \$675,000 credit for the NSD property. Upon the award of a contract for the Project by NSD, this Agreement shall be considered the successor agreement to the prior Interim Loan and Assistance Agreement, and shall supersede and replace the Interim Loan and Assistance Agreement. Repayment to SPMUD of the Amount Repayable shall be as hereinafter specified.

b. **Obligation / Security for Repayment:** The Amount Repayable shall be an obligation of NSD and the NSD area customers, and shall be secured by a separate "Project Related Service Charge (PRSC)", imposed on the existing number of connected NSD area customers on an SPMUD EDU basis and shall be fixed as of the date NSD awards a contract for the Project.

c. **"Newcastle Special Benefit Area" (NSBA):** In accordance with Section 8 b. of the Annexation Agreement, as modified herein and provided for in accordance with Section 9 of the Annexation Agreement, the parties agree that the PRSC shall be established as follows:

1. SPMUD, by resolution, will create the "Newcastle Special Benefit Area" covering the NSD area, to be known hereafter as the NSBA, said NSBA to become effective upon the effective date that SPMUD adopts a separate resolution accepting all elements of the Project.
2. NSD agrees that the NSD area existing connected customers, as fixed on the date NSD awards a contract for the Project, will be within the NSBA and shall be responsible for the current and ongoing sewer service charge as set by the SPMUD Board, plus a PRSC equal to the charge imposed by NSD per EDU for repayment of the loans and financing obtained by NSD from SPMUD in connection with the Project.
3. NSD shall declare the amount of the PRSC imposed by them per EDU for repayment of the loan(s)/financing; provided however, that NSD shall not declare and impose an amount per EDU less than that necessary to repay to SPMUD the Amount Repayable.

d. **Public Hearings:** NSD and SPMUD shall jointly conduct the required public hearings in accordance with State law (Proposition 218) in order to effect NSD's declaration / imposition of the PRSC. SPMUD shall adopt the PRSC and SPMUD's creation of the NSBA by separate resolution per the Public Utility Code, Division 6, Section 14401 (MUD ACT Chapter 11.5). The Proposition 218 process shall occur prior to NSD's award of a contract for the Project. In the event the Proposition 218 process results in a majority protest and/or NSD declares and imposes the PRSC in an amount per EDU less than that necessary to repay to SPMUD the Amount Repayable under the

interest rate and term specified in Section 4c, SPMUD shall be under no obligation to provide funding for the Project.

e. **Commencement of Repayment:** Repayment to SPMUD by NSD of the Amount Repayable shall commence when SPMUD has adopted a resolution accepting the force main, pump station, and NSD system repair improvements, which shall occur promptly after NSD completes such facilities consistent with the approved plans and specifications, or at such other time as hereafter provided in this Agreement. Upon such acceptance, SPMUD and NSD agree that:

1. At such time and thereafter until NSD is dissolved, SPMUD will bill NSD the PRSC plus the current SPMUD service charge—both on an SPMUD EDU basis—for the NSD existing connected customers, as said connected customers were fixed on the date NSD awarded a contract for the Project.
2. NSD shall pay each such bill within 30 days after its receipt.
3. Upon dissolution of NSD, SPMUD will bill the existing NSD area connected customers directly for the PRSC and the SPMUD service charge.

f. **New Connections/Customers in the NSD Area:** From and after the date the existing connected NSD area customers are fixed on an SPMUD EDU basis and until such time as NSD is dissolved, all further connections to the NSD system shall be considered new connections / customers. Payment to SPMUD of fees and charges for new connections/customers in the NSD area shall be in the following manner:

1. Prior to the new connection, NSD shall collect an amount equal to the then current regional SPMUD participation charge on an SPMUD EDU basis and remit said regional participation charge to SPMUD. From and after the dissolution of NSD, SPMUD will impose its local and regional participation charge on all additional new connections/customers.
2. Upon SPMUD's adoption of a resolution accepting the force main, pump station, and NSD system repair improvements, and until NSD is dissolved, SPMUD will bill NSD the current SPMUD service charge for the new connections/customers. NSD shall pay each such bill within 30 days after its receipt.
3. From and after the dissolution of NSD, SPMUD will bill the new connections/customers directly for the SPMUD service charge.
4. Nothing herein shall be construed as precluding SPMUD from additionally imposing and collecting the PRSC on new connections/customers under the NSBA after the dissolution of NSD.
5. Nothing herein shall be construed as precluding NSD from applying any or all of its own charges and fees to the new connections/customers until the dissolution of NSD.

g. **Unused Escrow Funds:** Amounts remaining in the escrow account at the time of the dissolution of NSD shall be used by SPMUD to reduce the principal of the outstanding Amount Repayable to SPMUD.

h. **Exhaustion of Escrow Funds:** In the event funds in the escrow account are exhausted prior to the completion of the Project, SPMUD shall be under no obligation to provide additional amounts into the escrow account. Project over-runs must be funded by NSD cash assets or other funding sources.

i. **Remaining NSD Assets:** All cash transferred to SPMUD by NSD at the time of its dissolution shall be used for the benefit of the NSD area, specifically to be applied by SPMUD to reduce the principal of the outstanding Amount Repayable to SPMUD.

j. **Amounts not Applicable to Amount Repayable:** The SPMUD service charge, the regional portion of the participation fee, any collected local portion of the participation fee, the NSD / SPMUD tax share received by SPMUD after the dissolution of NSD, and any other fee, assessment, charge or surcharge imposed generally on SPMUD customers shall not be applied toward the Amount Repayable to SPMUD.

k. **Interest on the Amount Repayable shall accrue beginning on the date(s) withdrawal(s) are made from the escrow account. Said accrued interest shall be paid on the date commencement of the Amount Repayable to SPMUD is made in accordance with Section 5 e above.**

6. CONDITIONS PRECEDENT

a. **Non-award of Contract by NSD:** In the event NSD does not award a contract for the Project prior to December 1, 2010, this Agreement shall terminate and be null and void and SPMUD shall not be obligated to provide funds to NSD, and NSD shall have no financial obligation to SPMUD except as follows: Prior amounts made available to NSD from SPMUD under the Interim Loan and the Assistance Agreement shall be repayable to SPMUD under the terms and conditions of those agreements. NSD shall not have access to or use of any funds deposited by SPMUD into the escrow account, and any monies therein shall be returned to SPMUD.

b. **Delay in Construction:** Upon the award of a contract for the Project, NSD shall ensure prosecution of the work to completion in a timely manner. In the event ongoing work on the Project associated with the force main, pump station, related facilities and NSD system repairs stops for a period of time in excess of 6 months at any time after the award of a contract, NSD shall commence repayment to SPMUD of the Amount Repayable in accordance with the "Commencement of Repayment" provisions contained in this Agreement.

c. **Insufficient Funds to Complete the Project:** In the event NSD awards a contract for the Project, and funds—above the amount(s) made available by grant funds and the financing provided by SPMUD under this Agreement, together with those amounts on hand in NSD's accounts—are insufficient for any reason to complete the Project, NSD shall adjust its service charge rates, through a Proposition 218 process, to generate sufficient funds to complete the project in a timely manner. If the Proposition 218 process fails as a result of a majority protest, whereby funds to complete the Project are not obtained, the entire outstanding balance of the Amount Repayable shall be declared by SPMUD to be due and payable, and said Amount Repayable, together with accrued interest, shall be paid to SPMUD by NSD not later than 5 years after such Proposition 218 hearing.

d. **NSD acknowledges that SPMUD shall not be obligated to fund any money until the following conditions precedent have been fulfilled:**

1. **NSD shall execute and deliver to SPMUD a Promissory Note in the form attached hereto as Exhibit "A".**
2. **NSD shall execute and deliver to SPMUD a Security Agreement in the form attached hereto as Exhibit "B".**

3. NSD shall execute and deliver to SPMUD a Pledge Agreement in the form attached hereto as Exhibit "C".
4. NSD shall have furnished to SPMUD copies of resolutions of the Board of Directors of the NSD in a form satisfactory to SPMUD authorizing the borrowing contemplated by this Agreement.

7. **REPRESENTATIONS AND WARRANTIES OF NSD**

a. NSD is a California public entity, duly organized and validly existing as a California Sanitary District under the laws of the State of California.

b. The borrowing of money by the NSD and the execution, delivery and performance of this Agreement are within the powers and capacities of the NSD and have been duly authorized by the Board of Directors of NSD following duly noticed and properly conducted proceedings.

c. There are no actions, suits or proceedings pending or to the knowledge of NSD threatened against or adversely affecting NSD in any court or before or by any federal, municipal or other governmental department, commission, board, bureau or agency which might materially affect the financial conditions of the NSD.

d. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement, the execution and delivery to the SPMUD of the Promissory Note, and the compliance with the covenants, terms, provisions and conditions of this Agreement will not conflict with or result in a violation of any of the provisions the statutes or ordinances of the NSD or any laws of the State of California governing NSD, or any agreement or instrument to which the NSD is now a party or which purports to be binding on the NSD or its property and assets.

e. This Agreement and all other documents or instruments to be delivered pursuant to this Agreement will, when executed and delivered, constitute valid and binding obligations of the NSD enforceable against it in accordance with their respective terms, except as may be limited by other documents or instruments delivered pursuant to this Agreement, or by applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting the enforcement of SPMUD's rights generally.

f. The borrowing of money under this Agreement and the execution and delivery of this Agreement do not require the consent or approval of any other party.

8. **AFFIRMATIVE COVENANTS**

NSD covenants with SPMUD that so long as any amount together with interest remains outstanding:

a. NSD will give SPMUD prompt written notice of any material change in the condition of the NSD, financial or otherwise.

b. NSD will diligently maintain, use and operate its property and assets and will carry on and conduct itself in a proper and efficient manner so as to preserve and protect the prudent operation of NSD's facilities.

c. NSD will duly and punctually pay to SPMUD the principal, accrued interest and all other monies payable on the dates as provided in the Promissory Note attached hereto as Exhibit "A".

d. NSD will pay or reimburse SPMUD for all costs, charges and expenses, including legal fees, incurred by SPMUD in connection with the recovery or enforcement of payment of monies under the terms of this Agreement.

e. NSD will do all acts that are necessary to maintain its existence under the laws of the State of California and will obtain, renew and maintain in full force and effect all authorizations, approvals, consents, licenses, permits and exceptions as may be required to enable NSD to observe and perform the obligations on its part to be performed under this Agreement, in connection with or incidental to this Agreement.

f. NSD will give to SPMUD written notice of the occurrence or threat of any material litigation, proceeding or dispute affecting NSD and will provide to SPMUD all information requested by SPMUD concerning the status of the litigation, proceeding or dispute.

9. EVENT OF DEFAULT

The principal and all interest payable together pursuant to this Agreement, shall, at the option of SPMUD, become immediately due and payable and any security held by SPMUD for the payment thereof shall, at the option of SPMUD, become immediately enforceable under the following events:

a. If NSD makes default in the repayment of any installment of principal or interest when it becomes due and payable.

b. If NSD becomes insolvent or declares bankruptcy, or experiences a material change in its financial condition which SPMUD, in its sole discretion, determines will impair NSD's ability to continue making payments through the maturity date of the loan.

c. Any notices to parties required by this Agreement shall be sent by electronic mail to the email addresses noted below, and delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER MUNICIPAL
UTILITY DISTRICT
5807 Springview Drive
Rocklin, CA 95677

Attention: Charles W. Clark
cclark@spmud.ca.gov

with a copy to:
SPMUD's General Counsel
Brown & Associates, PLC
11140 Fair Oaks Boulevard, Suite 100,
Fair Oaks, CA 95628
Attention: Adam C. Brown
adam@brnlaw.com

NEWCASTLE SANITARY DISTRICT
P.O. BOX 857
NEWCASTLE CALIF. 95658
Attn: EDGAR SANDER
sander.ed@sbcglobal.net

with a copy to: NA

10. MISCELLANEOUS PROVISIONS

a. Time is of the Essence: Time is of the essence of this Agreement.

b. Termination: In the event NSD does not award a contract for the Project, this Agreement shall terminate as provided in Section 6 above. This Agreement shall also terminate and neither party shall have any obligation to the other party, except for repayment of amounts under the

Interim Loan and Assistance Agreement, if any of the following occurs: (1) the Local Agency Formation Commission denies the annexation or dissolution, or the annexation or dissolution is otherwise defeated; or (2) any of the actions/hearings to be conducted under the Proposition 218 process for the adoption of the PRSC required under the "Obligation / Security for Repayment" provision contained in this Agreement result in a majority protest to such charge.

c. Amendments/Supplemental Agreements: This Agreement contains all the known and reasonably foreseeable covenants and Agreements between the parties with respect to the subject matter herein; provided, however, that this Agreement may be amended by, and/or supplemental agreements entered into between, the parties as may be necessary to further carry forward the purposes and intents contained herein. Any such amendment or supplemental agreement shall be in writing and be approved by the SPMUD's and NSD's respective Boards of Directors.

d. NSD covenants that it will execute or cause to be made, done or executed, all further and lawful acts, deeds, things, devices, conveyances, assignments, assurances whatsoever for effecting the purpose and intent of this Agreement.

e. This Agreement and all other agreements, security and documents to be delivered in connection with this Agreement shall be governed by and construed in accordance with the applicable laws of the State of California.

f. This Agreement shall be binding on and inure to the benefit of NSD, SPMUD and their respective successors and assigns, except that NSD shall not, without the prior written consent of SPMUD, assign any rights or obligations with respect to this Agreement. SPMUD may, in its sole discretion, transfer, assign or grant participation in its rights and obligations with respect to this Agreement or any other agreement contemplated to any person or entity, provided that SPMUD gives NSD 60 (sixty) days' written notice.

g. Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions of this Agreement which shall be deemed severable from the prohibited or unenforceable provision and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.

h. This Agreement shall be enforceable upon execution and delivery by NSD and SPMUD.

i. No waiver or act or omission of SPMUD shall extend to or be taken in any manner whatsoever to affect any subsequent event of default or breach by NSD of any provision of this Agreement or the results or the rights resulting from it.

j. This Agreement shall remain in full force and effect until the performance in full of all of the NSD's obligations under this Agreement.

k. NSD shall indemnify, defend and hold harmless SPMUD, its directors, officers, agents, and employees, from and against any and all liabilities, claims, or damages of any nature, including, without limitation, personal injury, including death, or property damage, which may arise from or be connected with the direct or indirect operations, action or inaction, of NSD or its contractors, subcontractors, agents or employees.

l. Entire Agreement: This Agreement is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and

representations contained in this Agreement. This Agreement represents the entire agreement of the parties. Each individual executing this Agreement represents that he or she is duly authorized to enter its terms and conditions and to execute it on behalf of the party represented.

m. Interpretation of this Agreement. The parties acknowledge that each party has reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

n. Waiver of Rights: Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

o. Remedies Not Exclusive: The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

p. Attorney's Fees: If any action at law or equity, arbitration, or other proceeding is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expert witness fees in addition to any other relief to which it may otherwise be entitled.

q. Counterparts: This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

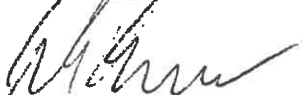
IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT THE DATE(S) AND YEAR(S) BELOW WRITTEN.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT



Charles W. Clark, General Manager

APPROVED AS TO FORM



Adam C. Brown, SPMUD Counsel

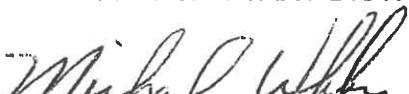
Dated 6/30, 2010

ATTEST



Carol J. Bean, Secretary

NEWCASTLE SANITARY DISTRICT



President, Board of Directors

APPROVED AS TO FORM

N/A

NSD, Counsel

Dated 6-29, 2010

ATTEST



Secretary, Board of Directors

Exhibit "A"
PROMISSORY NOTE

Date: 06-29, 2010

Borrower: Newcastle Sanitary District

Lender: South Placer Municipal Utility District

Place for Payment: South Placer Municipal Utility District
5807 Springview Drive
Rocklin, California 95677

Principal Amount: \$ (per Finance Agreement... not to exceed \$6,000,000)

Annual Interest Rate and Normal Term: 2.5% and 40 years

Terms of Payment:

The Principal Amount and interest are due and payable in quarterly payments over a forty-year period beginning on the date SPMUD accepts partially by resolution the lift station, force main, and system repair improvements and continuing until the obligation herein is satisfied as set forth in the Finance Agreement.

Maker may prepay this note in any amount at any time before the maturity date without penalty or premium. Partial payments will be credited to principal.


In the event of default, holder will first give maker written notice of default and maker will have fifteen (15) days after notice is given in which to cure the default. If the default is not cured in fifteen (15) days after notice, the outstanding principal and interest under this note shall become due and payable immediately.

Maker and each endorser agrees that if any legal action is necessary to enforce or collect this Note or any other obligations for nonpayment at maturity, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. This provision shall be applicable to the entire agreement.

This Note shall be deemed to be made under, and shall be governed by, the laws of the State of California, in all respects, including matters of construction, validity, and performance, and its terms and provisions may not be waived, altered, modified, or amended except in writing duly signed by an authorized person of NSD and SPMUD. Maker irrevocably consents to the jurisdiction of the courts of the State of California to enforce this Note, and expressly agrees that any action to enforce the terms of this Note, or arising hereunder, shall be brought in the Superior Court of the State of California in the County of Placer.

Signed and delivered on this 29 day of JUNE, 2010.

Newcastle Sanitary District (Maker)

By: 
Mike Webber, President

Attest: 
Secretary

Exhibit "B"
SECURITY AGREEMENT

This Security Agreement (this "Agreement"), dated 06-29 2010, is executed and entered into by and between NEWCASTLE SANITARY DISTRICT (the "Debtor" or "NSD"), and SOUTH PLACER MUNICIPAL UTILITY DISTRICT ("Creditor" or "SPMUD"), pursuant to that certain Finance Agreement, Pledge Agreement and Promissory Note executed by Debtor in favor of SPMUD.

1. **SECURITY INTEREST.** For good and valuable consideration, the Debtor grants to SPMUD a continuing security interest in the Collateral described below to secure the Obligations.

2. **OBLIGATIONS.** The Collateral shall secure the payment and performance of all of Debtor's present and future, joint and/or several, direct and indirect, absolute and contingent, express and implied, indebtedness, (including costs of collection, legal expenses and reasonable attorneys' fees, incurred by SPMUD upon the occurrence of a default, in collecting or enforcing payment of such indebtedness, or preserving, protecting or realizing on the Collateral herein), liabilities, obligations and covenants (cumulatively "Obligations") to SPMUD including those arising under or pursuant to the Finance Agreement; the Promissory Note; the Pledge Agreement; and all other evidences of indebtedness, agreements, instruments, guaranties, or otherwise of Debtor to SPMUD of every type or description that now exists or arises in the future (whether incurred for the same or different purposes than the foregoing); all predecessors, renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing; and applicable law.

3. **COLLATERAL.** The Collateral shall consist of all of the following described property and the Debtor's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by the Debtor (collectively the "Collateral"):

(a) All rights to the gross income and/or revenue generated from the operation of Debtor's sanitation facility or other forms of consideration of any kind to the Debtor for services rendered;

(b) All real and personal property of the Debtor, tangible and intangible, including choses in action and general intangibles;

(c) All accounts receivable, loan proceeds, rates, charges, fees and taxes levied by the Debtor.

4. **LEGAL STATUS.** The Debtor is a public agency, duly organized, validly existing and in good standing under the laws of the State of California.

5. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

Debtor represents, warrants and covenants to SPMUD that:

(a) Debtor will comply with applicable state laws and regulations and continually operate and maintain its facilities in good condition.

(b) Debtor will impose and collect such rates and charges that gross revenue will be sufficient at all times to provide for the payment of the operation and maintenance thereof and the installment payments on the Finance Agreement and Promissory Note. All services rendered by or use of the Facility(ies) shall be subject to the full rates and charges prescribed in the resolutions and ordinances of Debtor.

(c) If, for any reason, gross revenues are insufficient, Debtor will cause to be levied and collected such rates, charges and assessments as may be necessary to meet installment payments on the Loan Agreement and Promissory Note as the same become due.

(d) Debtor shall not become a party to any restructuring of its form or participate in any consolidation, merger, liquidation, dissolution or annexation during such time as any amounts owed to SPMUD remain outstanding and unpaid without SPMUD's prior written consent, which consent shall not be unreasonable withheld;

(e) Debtor has the right and is duly authorized to enter into and perform its obligations under this Agreement. Debtor's execution and performance of these obligations do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may now or hereafter be binding on Debtor;

(f) No action or proceeding is pending against Debtor which might result in any material or adverse change in its business operations or financial condition or materially affect the Collateral;

(g) Debtor has not violated and shall not violate any applicable federal, state, county or municipal statute, regulation or ordinance which may materially and adversely affect its business operations or financial condition or the Collateral;

(h) This Agreement and the obligations described in this Agreement are executed and incurred for business and not consumer purposes.

7. **SALE OF COLLATERAL.** Debtor shall not assign, convey, or transfer any of the Collateral to any third party without the prior written consent of SPMUD.

8. **COLLECTION OF INDEBTEDNESS FROM THIRD PARTIES.** SPMUD shall be entitled to notify, and upon the request of SPMUD, the Debtor shall notify any account debtor or other third party (including, but not limited to, insurance companies) to pay any indebtedness or obligation owing to the Debtor and constituting the Collateral (cumulatively, the "Accounts") to SPMUD if a default exists under this Agreement and all applicable cure periods have lapsed. The Debtor shall diligently collect the Accounts owing to the Debtor from its account debtors and other third parties until the giving of such notification. In the event that the Debtor possesses or receives possession of any instruments or other remittances with respect to the Accounts following the giving of such notification or if the instruments or other remittances constitute the prepayment of any Accounts or the payment of any insurance proceeds, the Debtor shall hold such instruments and other remittances in trust for SPMUD apart from its other property, endorse the instruments and other remittances to SPMUD, and immediately provide SPMUD with possession of the instruments and other remittances. SPMUD shall be entitled, but not required, to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Accounts if an event of default exists under this Agreement. SPMUD shall not be liable to

Debtor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom.

9. **INSPECTION OF COLLATERAL AND BOOKS AND RECORDS.** Debtor shall allow SPMUD or its agents to examine, inspect and make abstracts and copies of the Collateral and Debtor's books and records pertaining to Debtor's business operations and financial condition or the Collateral during normal business hours. Debtor shall provide any assistance required by SPMUD for these purposes. All of the signatures and information pertaining to the Collateral or contained in the books and records shall be genuine, true, accurate and complete in all respects. Debtor shall note the existence of SPMUD's security interest in their books and records pertaining to the Collateral.

10. **DEFAULT.** Debtor shall be in default under this Agreement in the event that the Debtor:

(a) Fails to make any payment under this Agreement or any other indebtedness to SPMUD when due;

(b) Fails to perform any obligation or breaches any warranty or covenant to SPMUD contained in this Agreement or any other present or future written agreement regarding this or any other indebtedness to SPMUD;

(c) Provides or causes any false or misleading signature or representation to be provided to SPMUD;

(d) Allows the Collateral to be destroyed, lost or stolen, damaged in any material respect, or subjected to seizure or confiscation;

(e) seeks to revoke, terminate or otherwise limit its liability under any continuing guaranty;

(f) permits the entry or service of any garnishment, judgment, tax levy, attachment or lien against the Debtor, or any of their property;

(g) is dissolved or terminated except as otherwise provided for in that certain Annexation and Dissolution Agreement dated October 13, 2009 between the parties hereto, ceases to operate its business, becomes insolvent, makes an assignment for the benefit of creditors, fails to pay any debts as they become due, or becomes the subject of any bankruptcy, insolvency or debtor rehabilitation proceeding; or

(h) Causes SPMUD in good faith to deem itself insecure for any reason.

20. **RIGHTS OF SPMUD ON DEFAULT.** If there is a default under this Agreement and any applicable cure periods have expired, SPMUD shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law and subject to the rights of secured parties with liens superior to SPMUD):

(a) To declare all outstanding indebtedness immediately due and payable in full;

(b) To collect the outstanding indebtedness with or without resorting to judicial process;

(c) To take possession of any Collateral in any manner permitted by law;

(d) to apply for and obtain, without notice and upon ex parte application, the appointment of a receiver for the Collateral without regard to Debtor's financial condition or solvency, the adequacy of the Collateral to secure the payment or performance of the obligations, or the existence of any waste to the Collateral;

(e) To require the Debtor to deliver and make available to SPMUD any Collateral at a place reasonably convenient to Debtor and SPMUD;

(f) To exercise all other rights available to SPMUD under any other written agreement or applicable law.

11. APPLICATION OF PAYMENT. Whether or not a default has occurred under this Agreement, all payments made by or on behalf of Debtor and all credits due to Debtor from the disposition of the Collateral or otherwise may be applied against the amounts paid by SPMUD (including attorney's fees and legal expenses) in connection with the exercise of its rights or remedies described in this Agreement and any interest thereon, and then to the payment of the remaining Obligations in whatever order SPMUD chooses.

12. REIMBURSEMENT OF AMOUNTS EXPENDED BY SPMUD. Debtor shall reimburse SPMUD for all amounts (including reasonable attorney's fees and legal expenses) expended by SPMUD in the performance of any action required to be taken by Debtor or the exercise of any right or remedy belonging to SPMUD under this Agreement, together with interest thereon at the lower of the highest rate described in any promissory note or credit agreement executed by the Debtor or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations, shall be secured by the Collateral identified in this Agreement and shall be payable upon demand.

13. ASSIGNMENT. Debtor shall not be entitled to assign any of its rights, remedies or obligations described in this Agreement without the prior written consent of SPMUD. Consent may be withheld by SPMUD in its sole discretion. SPMUD shall be entitled to assign some or all of its rights and remedies described in this Agreement without notice to or the prior consent of Debtor in any manner.

14. MODIFICATION AND WAIVER. The modification or waiver of any of the Debtor's Obligations or SPMUD's rights under this Agreement must be contained in writing signed by SPMUD upon approval by SPMUD's Board of Directors. SPMUD may perform any of the Debtor's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. The Debtor's Obligations under this Agreement shall not be affected if SPMUD amends, compromises, exchanges, fails to exercise, impairs or releases any of the obligations belonging to the Debtor or third party or any of its rights against the Debtor, third party or collateral.

15. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of Debtor and SPMUD and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.

16. SEVERABILITY. If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

17. APPLICABLE LAW. In addition to applicable federal law, this Agreement, the Loan Agreement and the Promissory Note and the rights and obligations of the parties hereunder and thereunder shall be governed by and construed and interpreted in accordance with the laws of the State of California. Debtor consents to the jurisdiction of the courts of the State of California in the event of any legal proceeding pertaining to the negotiation, execution, performance or enforcement of any term or condition contained in this Agreement or any related document and agrees not to commence or seek to remove such legal proceeding in or to a different court.

18. COLLECTION COSTS. If SPMUD hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Agreement, Debtor agrees to pay SPMUD's reasonable attorneys' fees and collection costs.

Debtor acknowledges that Debtor has read, understands, and agrees to the terms and conditions of this Agreement.



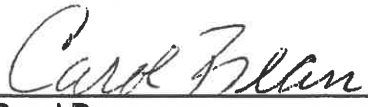
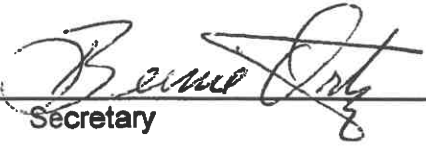
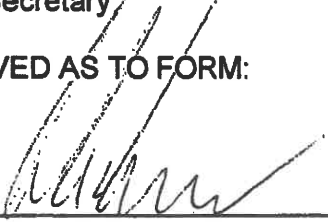
SOUTH PLACER MUNICIPAL UTILITY DISTRICT	NEWCASTLE SANITARY DISTRICT
BY:  Charles W. Clark General Manager	BY:  Michael Webber President
ATTEST:	ATTEST:
BY:  Carol Bean Secretary	BY:  Secretary
APPROVED AS TO FORM:	APPROVED AS TO FORM:
BY:  Adam C. Brown, Esq. Brown & Associates PLC General Counsel	BY: _____

Exhibit "C"
PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Pledge Agreement") is made as of the 29th day of JUNE 2010, by NEWCASTLE SANITARY DISTRICT, (the "Pledgor"), SOUTH PLACER MUNICIPAL UTILITY DISTRICT (the "Pledgee").

RECITALS

WHEREAS, Newcastle Sanitary District and South Placer Municipal Utility District have entered into a Security Agreement, dated as of 06-29-2010 (the "Agreement"),

WHEREAS, pursuant to the Agreement, Debtor has executed and delivered a secured promissory note (the "Note") in favor of Pledgee in an amount of (...not to exceed \$6,000,000);

WHEREAS, pursuant to the provisions of the Agreement, the Note, the Finance Agreement and the Security Agreement (the "Operative Documents"), Debtor is liable to Pledgee for the repayment of the loan and the performance of all obligations; and

WHEREAS, in partial consideration for the Pledgee's agreement to make the loan to Debtor, Pledgor has agreed to secure all of the obligations of Debtor under the Operative Documents, inter alia, by executing this Pledge Agreement in favor of Pledgee.

NOW, THEREFORE, in consideration of the premises, Pledgor hereby agrees with Pledgee as follows:

Section 1. Definitions. Capitalized terms used herein but not otherwise defined in this Pledge Agreement shall have the meaning ascribed to them in the Agreement.

Section 2. Pledge.

The indebtedness hereby authorized to be incurred, together with the interest thereon, shall be payable from the rates and charges, and fees payable by the ratepayers of the Pledgor, which are collected by the County of Placer on the tax rolls and remitted to Pledgor, in addition to any other source of gross income and revenue to be derived from the operation of the Facility(ies) of Pledgor, a sufficient portion of which, to pay the principal and interest as and when the same shall become due, is hereby assigned, and pledged and shall be set aside for that purpose and this assignment and pledge shall extend to and include any assessments that may be levied.

Section 3. Receipt of Pledged Interests. Pledgee hereby acknowledges receipt from Pledgor of the rights to the gross income and/or revenue generated from the operation of Debtor's facility (the "Pledged Collateral") and agrees to hold the Pledged Collateral subject to the terms and conditions of this Pledge Agreement.

Section 4. Representations, Warranties and Covenants. Pledgor represents, warrants and covenants as follows:

(a) It will comply with applicable state laws and regulations and continually operate and maintain the Facility in good condition.

(b) It will impose and collect such rates and charges that gross revenues will be sufficient at all times to provide for the payment of the operation and maintenance thereof and the installment payments on the Note. All service rendered by or use of the Facility shall be subject to the full rates prescribed in the rules and regulations of the Organization.

(c) If, for any reason, gross revenues are insufficient, it will cause to be levied and collected such assessments as may be necessary to operate and maintain the Facility in good condition and meet installment payments on the Note as the same become due.

(d) It will not dispose of, or transfer title to the Facility or any part thereof, including lands and interest in lands by sale, security instrument, lease or other encumbrance, without obtaining the prior written consent of SPMUD.

(e) All present and future contract rights, accounts receivable, and general intangibles arising in connection with the Facility are pledged as security for the loan.

(f) In the event of a default under the terms of the Loan Agreement, Promissory Note and Security Agreement, SPMUD shall be entitled to receive directly from the County of Placer those rates and charges collected by the County on the tax rolls sufficient to repay the loan, including all principle, accrued interest, costs, expenses and attorneys' fees.

Section 5. Default.

Default under the provisions of this agreement or any instrument incident to the making or issuing of the loan may be construed by SPMUD to constitute default under any other instrument held by the SPMUD and executed or assumed by the NSD, and default under any such instrument may be construed by the SPMUD to constitute default hereunder.

Section 6. Expenses. In the event that Pledgee incurs reasonable costs or expenses in connection with any effort to enforce this Pledge Agreement, or if Pledgee brings any action or suit in any court of record to enforce any or all liabilities of Pledgor under this Pledge Agreement, in each such case as a result of an assertion by Pledgor that is determined to be incorrect that the enforcement sought by Pledgee was inappropriate, then Pledgor shall be liable and shall reimburse Pledgee for any and all costs and expenses incurred by Pledgee.

Section 7. Amendments. No amendment or waiver of, and no consent to any departure by Pledgor from, any provision of this Pledge Agreement shall, in any event, be effective unless the same shall be in writing and signed by Pledgee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8. Continuing Security Interest. Except as otherwise provided for in the Finance Agreement, this Pledge Agreement shall (a) remain in full force and effect until payment in full of all sums due to Pledgee under the Finance Agreement and the other Operative Documents, (b) be binding upon Pledgor and Pledgee, their respective successors and assigns, and (c) inure to the benefit of Pledgee and its successors, transferees and assigns.

Section 9. Governing Law; Jurisdiction.

(a) THIS PLEDGE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA UNITED STATES OF

AMERICA, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT REFERENCE TO CONFLICTS OF LAWS PRINCIPLES (OTHER THAN TITLE 14 OF ARTICLE 5 OF THE GENERAL OBLIGATIONS LAW).

(b) Pledgor and Pledgee hereby irrevocably consent and agree that any legal action, suit, or proceeding arising out of or in any way in connection with this Pledge Agreement may be instituted or brought in the courts of the State of California, in the County of Placer, and by execution and delivery of this Pledge Agreement, Pledgor and Pledgee hereby irrevocably accept and submit to, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of any such court, and to all proceedings in such courts.

Section 10. Construction. Captions and section headings used in this Pledge Agreement are for convenience only and are not part of this Pledge Agreement and shall not be used in construing it. In construing any provision of this Pledge Agreement, no account shall be taken of the party who prepared this Pledge Agreement and no presumption shall arise as a result thereof. In the event that any one or more of the provisions of this Pledge Agreement shall be invalid, illegal or unenforceable in any respect or in any jurisdiction, the validity, legality and enforceability of the remaining provisions contained in this Pledge Agreement or of the same provision in any other jurisdiction where the same shall be valid, legal or enforceable shall not in any way be affected or impaired thereby, and each of such provisions shall be severable to the maximum extent permitted by law.

Section 11. Entire Agreement. This Pledge Agreement is the entire agreement among the parties with respect to the subject matter of this Pledge Agreement.

Section 12. Counterparts. This Pledge Agreement may be executed in multiple counterparts, each of which shall be an original document and all of which together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, Pledgor and Pledgee have executed this Pledge Agreement as of the date first written above.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

BY: 
Charles W. Clark
General Manager

ATTEST:

BY: 
Carol Bean
Secretary

APPROVED AS TO FORM:

BY:



Adam C. Brown, Esq.
Brown & Associates PLC
General Counsel

NEWCASTLE SANITARY DISTRICT

BY:



Michael Webber
President

ATTEST:

BY:



Secretary

APPROVED AS TO FORM:

BY: _____

RESOLUTION NO. 10-09
SUPPLEMENTAL INFORMATION

9-3-2010

APNs	Property Owner/Customer Name	Physical Address All Newcastle, CA 95658	Customer Mailing Address	City, State, Zip	Property Designation	Area	Comm
031 241 040 000	GRANVILLE SHARYN LYN ET AL	630 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
031 241 041 000	PLACER COUNTY BOARD OF EDUCATION	645 KENTUCKY GREENS WAY	360 NEVADA ST.	AUBURN CA 95603	SCHOOLS		6.77
031 241 044 000	ANDREWS MARK D & BETSY M	8980 OLD STATE HWY	SAME	SAME	RESIDENTIAL	1	
031 241 045 000	KVALTINE GARY J & JEANNE	8968 OLD STATE HWY	710 STONEWOOD RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
031 241 046 000	NEWCASTLE ELEMENTARY SCHOOL DIST.	9050 OLD STATE HWY.	BILL TO: PCOE 360 NEVADA ST.	AUBURN CA 95603	SCHOOLS		1.80
031 241 047 000	NEWCASTLE ELEMENTARY SCHOOL DIST. (VACANT PCL)	8951 VALLEY VIEW DR.	SAME	SAME	SCHOOLS		0.00
031 241 048 000	NEWCASTLE ELEMENTARY SCHOOL DIST.	8951 VALLEY VIEW DR.	SAME	SAME	SCHOOLS		7.59
031 241 016 000	SPRSY ET AL C/O NEWCASTLE PORTUGUESE HALL ASSN	690 TAYLOR RD	PO BOX 993	NEWCASTLE CA 95658	COMMERCIAL		1.00
331 241 051 000	SHAEFFER ZANE A & CATHERINE E	815 TAYLOR RD	SAME	SAME	RESIDENTIAL	1	
331 250 011 000	HERNANDEZ JENNIE T ET AL	280 BUENA VISTA AVE	P O BOX 71	NEWCASTLE CA 95658	RESIDENTIAL	1	
331 250 014 000	KOONS V W TTEE	8981 OLD STATE HWY	8850 GILARDI ROAD	NEWCASTLE CA 95658	RESIDENTIAL	1	
331 250 015 000	PETERSON RICHARD PAUL	565 TAYLOR RD	P O BOX 800	NEWCASTLE CA 95658	COMMERCIAL		1.00
331 250 016 000	WHARTON MARTHA SUZZANNE	570 TAYLOR RD	P O BOX 32	NEWCASTLE CA 95658	RESIDENTIAL	1	
331 250 021 000	CALLEN GERALD W & JEANNE M	190 BUENA VISTA AVE	SAME	SAME	RESIDENTIAL	1	
331 250 028 000	GRAY WILLIAM E & CARRIE E TTEES	220 BUENA VISTA AVE	1950 HERITAGE LN	NEWCASTLE 95658	RESIDENTIAL	1	
331 250 034 000	JOHNSON LINNEA M ET AL	191 BUENA VISTA AVE	SAME	SAME	RESIDENTIAL	1	
331 250 035 000	SAGAR DONALD L ET AL	106 BUENA VISTA AVE	SAME	SAME	RESIDENTIAL	1	
331 250 037 000	ERNST EDWARD W & KAREN C	121 BUENA VISTA AVE	SAME	SAME	RESIDENTIAL	1	
32 340 001 000	PECK STEVEN E & PAMELA J TTEES	1300 KENTUCKY GREENS WY	P O BOX 1046	NEWCASTLE CA 95658-1046	RESIDENTIAL	1	
32 340 002 000	FIREK GREGORY T & ELIZABETH A	1250 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
32 340 003 000	LANG EDWARD T & MARCELLA M TRS	1200 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
32 340 004 000	LYNCH LARRY A TRUSTEE ET AL	1150 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 005 000	EVANS DONALD W & SUSAN ANNE TRUSTEES	1100 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 006 000	TRISTANT STEVE & JOAN	1080 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 007 000	ANDERSON JULIE W	1010 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 008 000	HAGGERTY JAMES M & CHERYL D	1001 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 009 000	HIER THOMAS E TTEES & HIER MARGARET A TRUSTEE	8925 DERBY CT	SAME	SAME	RESIDENTIAL	1	
32 340 010 000	SHARP PHILLIP E II & DEBRA	8945 DERBY CT	C/O U.S. BANK 205 W. 4TH STREET, SUITE 5	CINCINNATI OH 45201	RESIDENTIAL	1	
32 340 011 000	FLINN FREDERICK J & JOAN M TRUSTEES	8980 DERBY CT	SAME	SAME	RESIDENTIAL	1	
32 340 012 000	KETCHERSIDE DONALD D & SHARON A TRUSTEES	8940 DERBY CT	SAME	SAME	RESIDENTIAL	1	
32 340 013 000	WRIGHT BRYAN C & MARJORIE E	8920 DERBY CT	SAME	SAME	RESIDENTIAL	1	
32 340 014 000	FRENCH LEO R & EILEEN H TRUSTEES	1075 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
32 340 015 000	HANCOCK RODNEY L & JENNIFER J	1145 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
32 340 016 000	JENNINGS JOHN B & CHRISTINE A	1165 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
32 340 018 000	OATS ROBERT J & BERNICE D TRUSTEES	1245 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
32 340 021 000	STAUB CHARLES RAY & JO ELAINE	1185 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
2 340 022 000	RICE ROBERT & SANDRA	1225 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
2 350 001 000	TOLEDO MARGARET CAREW & GARY D	1425 KENTUCKY GREENS WAY	P O BOX 702	NEWCASTLE CA 95658	RESIDENTIAL	1	
2 350 003 000	LIAL STEVE K & PAULA L	1445 KENTUCKY GREENS WY	SAME	SAME	RESIDENTIAL	1	
2 350 004 000	CAMPOS BENJAMIN & LUPE I	1450 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	

APN#	Property Owner/Customer Name	Physical Address		City, State, Zip	Property Designation	SPMUD/EDU	
		All: Newcastle, CA 95658	Customer Mailing Address			Res.	Comm.
032 350 005 000	COULTHREAD GARRY & GAIL	1430 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 006 000	ANDERSON KRESTON & TRACEY	1410 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 007 000	JOHNSON MARY ELIZABETH TTEE	1370 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 008 000	MISZKEWYCZ SCOTT & JENNIFER	1340 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 009 000	FURUYA MIKIO & YOSHIKO TRUSTEES	1305 KENTUCKY GREEN WAY	SAME	SAME	RESIDENTIAL	1	
032 350 010 000	FLAHAHAN PATRICIA M	1285 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 016 000	GETZ JOHN W & SANDRA K	1325 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
032 350 017 000	FEFER LOREN A, ET AL	1355 KENTUCKY GREENS WAY	SAME	SAME	RESIDENTIAL	1	
040 140 002 000	NEWCASTLE CEMETARY DISTRICT	TAYLOR RD	850 TAYLOR RD	NEWCASTLE CA 95658	CEMETARIES		1.00
040 140 007 000	DREHER JONATHAN R	245 TAYLOR RD	SAME	SAME	RESIDENTIAL	1	
040 140 010 000	GAILBREATH PERTROLEUM	235 TAYLOR RD	12180 HERDAL DR	AUBURN CA 95603	COMMERCIAL		1.00
040 140 011 000	HOCKADAY DELORIS A ET AL	255 TAYLOR RD	2995 MARDELL LN	LOOMIS CA 95650	COMMERCIAL		1.02
040 140 015 000	JIM DOBBAS INC	300 TAYLOR RD	P O BOX 177	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 140 016 000	PERRY JOHN D & CARMETA S TRUSTEES (2 HMS. ON SITE)	320 TAYLOR RD	SAME	SAME	RESIDENTIAL	2	
040 140 020 000	PERRY JOHN D & CARMETA S TTEES (VACANT)	320 TAYLOR RD	SAME	SAME	RESIDENTIAL	0	
340 140 026 000	CAMPBELL ERIC F	9240 LINCOLN NWCL HWY	275 TAYLOR RD	NEWCASTLE CA 95658	COMMERCIAL		1.47
340 140 027 000	NEWMAN RICHARD H ET AL	9200 LINCOLN NWCL HWY	4065 PHEASANT HILL	LINCOLN CA 95648	RESIDENTIAL	1	
340 140 030 000	BUTLER RUBY LAURIE TTEE	9101 LINCOLN NWCL HWY	P O BOX 225	NEWCASTLE CA 95658	RESIDENTIAL	1	
340 140 031 000	CLOUDBASE LLC C/O SMITH DAVID	9111 LINCOLN NWCL HWY	1103 HIGHT ST #223	AUBURN CA 95648	RESIDENTIAL	1	
340 140 037 000	PACIFIC ANTELOPE INC	280 TAYLOR RD	7920 N ANTELOPE RD	SACRAMENTO CA 95842	COMMERCIAL		6.87
340 140 054 000	GAILBREATH PETROLEUM (CAROL'S MARKET)	235 TAYLOR RD	12180 HERDAL DR	AUBURN CA 95658	COMMERCIAL		1.33
340 140 056 000	ROBINSON DANIEL & ELISA	167 TAYLOR RD	P O BOX 547	NEWCASTLE CA 95658	COMMERCIAL		1.83
340 150 006 000	UNION PACIFIC RAILROAD CO. (MONROE + SIERRA SAFETY)	9093 OLD STATE HWY	C/O MONROE TRANSMISSION 9093 OLD STATE HWY.	NEWCASTLE CA 95658	COMMERCIAL		3.73
40 150 014 000	LAIWALLA NOORALLAH N & MEENA 'DBA SEV. STATION FIXT.	9300 CHANTRY HILL RD	SAME	SAME	COMMERCIAL		1.00
40 150 016 000	CERCEL WHITE INVESTORS LLC	9314 CHANTRY HILL RD	9391 TROY WAY	GRANITE BAY CA 95746	COMMERCIAL		1.00
40 150 017 000	GARDNER THOMAS	501 2ND ST	2945 BELL RD #323	AUBURN CA 95603	RESIDENTIAL	3	
40 150 024 000	UNION PACIFIC RAILROAD CO. (WHSE + GYM)	9385 OLD STATE HWY + 400 MAIN	C/O ROBIN ANDERSON P.O. BOX 5008	HEMET CA 92544	COMMERCIAL		7.04
40 150 025 000	EBERWEIN RICHARD PAUL & COLLEEN CYNTHIA TTEES	455 MAIN ST	8409 GINA LN	GRANITE BAY CA 95746	COMMERCIAL		5.24
40 150 026 000	MCKENZIE CLAUDE D JR & PAMELA K TRS	455 MAIN ST	9885 INDIAN HILL RD	NEWCASTLE CA 95658	COMMERCIAL		3.20
40 161 001 000	WRIGHT TERRI Y	390 BUENA VISTA AVE	SAME	SAME	RESIDENTIAL	1	
40 161 002 000	NEWCASTLE METHODIST CHURCH	410 BUENA VISTA AVE	PO BOX 235	NEWCASTLE CA 95658	COMMERCIAL		2.45
40 161 003 000	TOTH RENEE I ET AL	440 BUENA VISTA AVE	P O BOX 1144	NEWCASTLE CA 95658-1144	RESIDENTIAL	1	
40 161 004 000	DEGRAAF GERALD L & SHARON A TTEE	450 BUENA VISTA AVE	9880 GLENVIEW RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
40 161 005 000	SERPA MARY R LIFE EST ET C/O ROCHA ANTHONY V SR	460 BUENA VISTA AVE	P O BOX 625	NEWCASTLE CA 95657	RESIDENTIAL	1	
40 162 002 000	SANTOS TONY D & MARIA E TRUSTEES	9061 PAGE ST	P O BOX 213	NEWCASTLE CA 95658	RESIDENTIAL	3	
40 162 007 000	REED BERT EDWARD SR	9031 PAGE ST	P O BOX 613	NEWCASTLE CA 95658	RESIDENTIAL	2	
40 163 001 000	HUDSON JAMES A & DEBORAH S	9030 PAGE ST	SAME	SAME	RESIDENTIAL	1	
40 163 003 000	SILVA JEFFREY L TTEE C/O SILVA SANDRA	455 THRELKEL ST	P O BOX 201	NEWCASTLE CA 95658	RESIDENTIAL	1	
40 163 004 000	SILVA JEFFREY ET AL	420 MAIN ST	PO BOX 201	NEWCASTLE CA 95658-0201	RESIDENTIAL	1	
40 163 006 000	SMILEY KARY B	440 MAIN ST	SAME	SAME	RESIDENTIAL	1	

APN	Property Owner/Customer Name	Physical Address All: Newcastle, CA 95658	Customer Mailing Address	City, State, Zip	Property Designation	SPANUD EDU.	
						Reb.	Comm.
040 163 007 000	GULLION GARTH L TRUSTEE ET AL	450 MAIN ST	P O BOX 1029	NEWCASTLE CA 95658	COMMERCIAL		1.30
040 163 008 000	GAILBREATH PETROLEUM	458 MAIN ST	12180 HERDAL DR	AUBURN CA 95803	COMMERCIAL		1.00
040 163 009 000	CUMMINGS JODY L & KRISTIN	482 MAIN ST	SAME	SAME	RESIDENTIAL	1	
040 163 012 000	KOONS V W TTEE	489 THRELKEL ST	8850 GILARDI ROAD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 163 018 000	OLIVEIRA JOSE C & MARIA C	441 THRELKEL ST	PO BOX 263	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 163 021 000	GRAY DANIEL T & MARION J	411 BUENA VISTA AVE	P O BOX 544	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 163 023 000	MARTIN KAREN	463 THRELKEL ST	PO BOX 256	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 163 024 000	OATES JONATHAN & KIMBERLY C/O FOOTHILL HOLDINGS	421 BUENA VISTA AVE	PO BOX 631	AUBURN CA 95803	RESIDENTIAL	1	
040 163 025 000	MARSHALL HERBERT G & JUNE C TRS	430 MAIN ST	2009 MARYAL DR	SACRAMENTO CA 95825	RESIDENTIAL	1	
040 164 001 000	VADER NANCY	451 BUENA VISTA AVE	P.O. BOX 344	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 164 002 000	KOONS V W TTEE	450 THRELKEL ST	8850 GILARDI ROAD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 171 002 000	STCLAIR KIM	470 THRELKEL ST	PO BOX 746	NEWCASTLE CA 95658-0746	RESIDENTIAL	1	
040 171 003 000	MOTTO THOMAS JOHN JR	480 THRELKEL ST	P O BOX 1154	MEADOW VISTA CA 95722	RESIDENTIAL	1	
040 171 004 000	LEIS RON & LENA	9087 OLD STATE HWY	5631 MARCHESE CT	FAIR OAKS CA 95628	RESIDENTIAL	1	
040 171 005 000	FORSYTHE ROBERT	9076 OLD STATE HWY	P O BOX 573	AUBURN CA 95804	RESIDENTIAL	1	
040 171 007 000	PACIFIC TELEPHONE & TELEGRAPH	_____ OLD STATE HWY	AT&T SERV. P.O. BOX 182552	COLUMBUS OH 43218	COMMERCIAL		1.32
040 171 008 000	BRINKMAN THOMAS F & BARBARA S	9001 OLD STATE HWY	PO BOX 767	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 171 009 000	BRINKMAN THOMAS F & BARBARA S	9011 OLD STATE HWY	PO BOX 767	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 171 010 000	GAFFNEY WALTER C & LYNN V TTEE	9021 OLD STATE HWY	4961 BELL RD	AUBURN CA 95802	RESIDENTIAL	1	
040 171 011 000	GAFFNEY WALTER C & LYNN V TTEE	9031 OLD STATE HWY	4961 BELL RD	AUBURN CA 95802	RESIDENTIAL	1	
040 172 001 000	NEWCASTLE ELEMENTARY SCHOOL DIST.	(SEE 031-241-006-000)	SAME	SAME	SCHOOLS		0.00
040 172 002 000	GAMMELGARD JASON & JULIE	9012 HOWELL LN	PO BOX 460	PENRYN CA 95663	RESIDENTIAL	1	
040 172 005 000	HUNT CHALLENGER P & CAROL I TRUSTEES	9032 HOWELL LN	5809 PEARSON AVE	LOOMIS CA 95650	RESIDENTIAL	1	
040 172 006 000	BUNDY ROBERT	9022 HOWELL LN	SAME	SAME	RESIDENTIAL	1	
040 172 007 000	MCANALLY GARY L & CHRISTINE D	9080 OLD STATE HWY	9925 QUAIL HILL DR	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 010 000	LONGTHORNE DAVID	9150 OLD STATE HWY	P O BOX 43	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 011 000	SILVA ANTONIO M & MARIA L	9190 OLD STATE HWY	SAME	SAME	RESIDENTIAL	1	
040 172 013 000	FED. NAT'L MORTGAGE ASSOC. C/O RECONSTRUCT CO.	9220 OLD STATE HWY	1757 TAPO CYN. RD SWW 88	SIMI VALLEY CA 93063	RESIDENTIAL	1	
040 172 014 000	BRINKMAN THOMAS F & BARBARA S W	564 KELLOGG ST	PO BOX 767	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 015 000	KOONS EDWARD C & CAROLYN A	550 KELLOGG ST	390 HOGUERTEL HILL RD	AUBURN CA 95803	RESIDENTIAL	1	
040 172 016 000	SYLVESTER RAY C	9161 PLUM LN	PO BOX 382	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 017 000	COSTA JOHN G II & STACEE J	9149 PLUM LN	P O BOX 936	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 020 000	HEINZEN HOLLY L	9074 HOWELL LN	14012 ASH RD	GRASS VALLEY CA 95945	RESIDENTIAL	1	
040 172 021 000	SIDWELL ALFRED E TTEE	9064 HOWELL LN	SAME	SAME	RESIDENTIAL	1	
040 172 022 000	GOULART CLARIS TRUSTEE	9052 HOWELL LN	P O BOX 264	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 024 000	GOFORTH RORY J & GRETCHEN	9064 HOWELL LN	SAME	SAME	RESIDENTIAL	1	
040 172 025 000	GOULART CLARIS TRUSTEE	9042 HOWELL LN	P O BOX 264	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 028 000	HALCOMB NAME & DANNY	9090 OLD STATE HWY	P O BOX 1142	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 027 000	ORTIZ BERNARDO JR & NANCY	9070 OLD STATE HWY	PO BOX 579	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 028 000	MCDOWELL JOHN T & GRETCHEN B	9200 OLD STATE HWY	P O BOX 727	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 172 029 000	GLASS DAVID & CANDY	9140 OLD STATE HWY	P O BOX 485	NEWCASTLE CA 95658	RESIDENTIAL	1	

APN#	Property Owner/Customer Name	Physical Address All: Newcastle, CA 95658	Customer Mailing Address	City, State, Zip	Property Designation	SPMUD EDU	
						Res.	Comm.
040 173 001 000	MACKLIN ROBERT M & DENA A	473 THRELKEL ST	SAME	SAME	RESIDENTIAL	1	
040 173 005 000	SANDER EDGAR R & CORDELIA J TRS	482 MAIN ST	P O BOX 959	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 173 008 000	NEILS CONTROLLED BLASTING L P	490 MAIN ST	P O BOX 749	NEWCASTLE CA 95658	COMMERCIAL		1.00
040 173 007 000	LAWHORN JOSEPH P TRUSTEE	550 MAIN ST	5416 ST ANTON CT	CARMICHAEL CA 95608	COMMERCIAL		1.00
040 173 008 000	CERCEL THOMAS M & DONNA D	483 THRELKEL ST	PO BOX 174	APTOS CA 95001-0174	RESIDENTIAL	3	
040 173 009 000	HOMECOMINGS FIN. NETWORK INC. C/O GMAC MTG. CORP	9149 OLD STATE HWY	500 ENTERPRISE RD STE 150	HORSHAM PA 19044	RESIDENTIAL	1	
040 173 010 000	SINGH SUKHWINDER DBA QUALITY MARKET	470 MAIN ST	SAME	SAME	COMMERCIAL		4.38
040 174 002 000	SORENSEN RICHARD A TRUSTEE	501 MAIN ST	P O BOX 1151	NEWCASTLE CA 95658	COMMERCIAL		5.06
040 174 004 000	SORENSEN RICHARD A	9201 OLD STATE HWY	P O BOX 1151	NEWCASTLE CA 95658	RESIDENTIAL	3	
040 174 005 000	TROY LEO J & ANN F TRUSTEES (POST OFFICE)	9241 OLD STATE HWY	U.S.P.S. C/O LEO TROY 9241 OLD STATE HWY	NEWCASTLE CA 95658	COMMERCIAL		1.39
040 175 002 000	SALADANA A JERALD	461 MAIN ST	2201 21ST ST	SACRAMENTO CA 95815	COMMERCIAL		1.22
040 175 005 000	PEARSON GUS A & DIANA K TTEE	477 MAIN ST	1880 VISTA DEL LAGO	AUBURN CA 95603	COMMERCIAL		1.00
040 175 006 000	NEWCASTLE FIRE DISTRICT	9211 CYPRESS ST	P.O. BOX 262	NEWCASTLE CA 95658	COMMERCIAL		1.00
040 176 001 000	NEFT JOANNE K TRUSTEE ET AL	9220 CYPRESS ST	P O BOX 753	NEWCASTLE CA 95658	COMMERCIAL		2.87
040 176 002 000	SALADANA A JERALD	545 ORANGE ST	2201 21ST ST	SACRAMENTO CA 95815	RESIDENTIAL	1	
040 177 001 000	SCHWARTZ MICHAEL A & DAVIS ROBERT ANTHONY TRUSTEE C/O CBS	9246 OLD STATE HWY	PO BOX 626	APPLEGATE CA 95703	COMMERCIAL		2.83
040 177 002 000	SILVA JEFFREY ET AL	9250 OLD STATE HWY	PO BOX 201	NEWCASTLE CA 95658-0201	RESIDENTIAL	1	
040 177 009 000	STEVENS JANE E LANKFORD CNSVR ET AL	569 KELLOGG ST	465 EAST K ST	BENICIA CA 94510	RESIDENTIAL	1	
040 177 010 000	NELSON PHAEDRA D	561 KELLOGG ST	SAME	SAME	RESIDENTIAL	1	
040 181 002 000	MCDANIEL MICHAEL	304 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 181 003 000	LOVESEE DANIEL E & KATHLEEN M	308 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 181 004 000	WOODS DONALD EVAN	402 2ND ST	9585 BELL BAR RD	AUBURN CA 95603	RESIDENTIAL	1	
040 181 005 000	SWESEY ALVIN C & JERALYN L	440 2ND ST	126 PALMYRA ST	AUBURN CA 95603	RESIDENTIAL	1	
040 181 006 000	HOKE TREVOR M & HELEN L	502 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 181 007 000	HOPKINS JAMES P	510 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 181 008 000	CLARK STEVEN R	520 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 181 009 000	KOONS V W TTEE	300 2ND ST	8850 GILARDI ROAD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 181 002 000	VIERIA ANTONIO & OLGA	437 2ND ST	PO BOX 23	NEWCASTLE CA 95658	RESIDENTIAL	2	
040 182 003 000	FARIA ESTACIO S & MARIA L TRUSTEES	445 2ND ST	P O BOX 224	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 182 007 000	RASH PATRICIAN & DAWSON AUDREY	505 2ND ST	SAME	SAME	RESIDENTIAL	1	
040 182 010 000	STACHELRODT RENE H III ET AL	499 SECOND ST	SAME	SAME	RESIDENTIAL	1	
040 182 011 000	BUNDY ROBERT HARLOW TRUSTEE	9340 CHANTRY HILL RD	P O BOX 796	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 183 011 000	WALLACE SUZANNE B	9411 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 183 012 000	ORSOLINI LEONARD J	311 2ND ST	P.O. BOX 253	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 184 003 000	ELLIOTT MICHELE	9414 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 184 004 000	BUNDY PAMELA J TRUSTEE	9420 PARK AV	SAME	SAME	RESIDENTIAL	1	
040 184 005 000	RESENDES MARIA F TRUSTEE	9430 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 184 006 000	VIEIRA ALMERINDA CONCEICAO TRUSTEE	9436 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 184 007 000	WALKER CHRISTOPHER J & CYNTHIA I	9438 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 184 009 000	BRIONES DEREK & JULIE	351 2ND ST	PO BOX 1191	NEWCASTLE CA 95658	RESIDENTIAL	1	

APN#	Property Owner/Customer Name	Physical Address All: Newcastle, CA 95658	Customer Mailing Address	City, State, Zip	Property Designation	SPMUD EDC Res	Comm
040 185 002 000	WHEELER HELEN M TRUSTEE	9570 CHANTRY HILL RD	PO BOX 92	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 185 004 000	CLEMENT JOHN F & COPPINICLEMENT ELLEN R TTEES	9536 PARK AVE	320 GERALDSON RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 185 008 000	MURRAY ROBERT A & DIANA M	9460 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 185 009 000	FREEMAN GLENDA J TRUSTEE	9560 CHANTRY HILL RD	P O BOX 771	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 185 010 000	REESE RICHARD E & HELEN J TTEE	9558 PARK AVE	13747 BLACKWOOD WAY	AUBURN CA 95602	RESIDENTIAL	1	
040 186 012 000	HERNDON JEFFREY B	9611 TUNNEL ST	9811 CHANTRY HILL RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 186 016 000	PALMA DAVID L ET AL	9619 TUNNEL ST	SAME	SAME	RESIDENTIAL	1	
040 186 017 000	DECKER JOHN B & TRINA M	9615 TUNNEL ST	9615 CHANTRY HILL RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 186 018 000	JOHNSON KENNETH RICHARD & JILL ELLEN	9617 TUNNEL ST	P O BOX 4960	AUBURN CA 956045	RESIDENTIAL	1	
040 186 019 000	CLEMENT JOHN F TRUSTEE ET AL	9603 CHANTRY HILL RD	320 GERALDSON RD	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 186 021 000	RISWOLD JEFF & JANET	9448 PARK AVE	SAME	SAME	RESIDENTIAL	1	
040 191 002 000	DUARTE ALBERT & CLARA	574 PEACH LN	PO BOX 352	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 191 015 000	SCHICHTEL PETER A & AUGUST L	9053 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 191 017 000	STEWART JOHN WESLEY & PENNY E	581 PEACH LN	PO BOX 471	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 191 018 000	AZBILL ELLEN	582 PEACH LN	SAME	SAME	RESIDENTIAL	1	
040 192 008 000	RICHARDS WILLIAM R & MARGUERITE A TRUSTEES	9020 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 192 009 000	GRIFFITHS EARL K & ROBIN	620 CHERRY LN	PO BOX 516	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 192 010 000	LONGTHORNE WILLIAM EDWARD & JULIA A	640 CHERRY LN	SAME	SAME	RESIDENTIAL	1	
040 192 011 000	ERSKINE DAVID W & PATRICIA F TRS	630 CHERRY LN	16250 AURORA WY	MEADOW VISTA CA 95722	RESIDENTIAL	1	
040 192 013 000	GREGORY WILLIAM E & CATHERINE A	650 CHERRY LN	SAME	SAME	RESIDENTIAL	1	
040 192 014 000	BROWN ROBERT & SARAH	660 CHERRY LN	PO BOX 1236	NEWCASTLE CA	RESIDENTIAL	1	
040 193 003 000	VERNON BRUCE AMORY & TAMMIEH L	9133 VALLEY VIEW DR	17555 BARRISTER DR	MEADOW VISTA CA 95722	RESIDENTIAL	1	
040 193 004 000	JORDAN JAMIE	9123 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 193 005 000	MCDANIEL JIL N	9111 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 193 006 000	DUTRA MARY O TRUSTEE C/O HPM INC	9101 VALLEY VIEW DR	1222 HIGH ST	AUBURN CA 95803-5015	RESIDENTIAL	3	
040 193 007 000	HARRIS IVANO	9143 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 193 008 000	HENDERSON TODD & LISA	570 KELLOGG ST	SAME	SAME	RESIDENTIAL	1	
040 193 009 000	ROSE CLYDE ELDON & CAROLE ANN TRUSTEES	580 KELLOGG ST	SAME	SAME	RESIDENTIAL	1	
040 193 010 000	WEBBER MICHAEL LEWIS	590 KELLOGG ST	P O BOX 605	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 193 013 000	SMITH TERRY R & NATALIE I	585 PEACH LN	P O BOX 881	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 193 017 000	DEPASQUALE DONALD LAWRENCE	575 PEACH LN	P O BOX 678	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 193 018 000	SAXELBY MATTHEW J	553 PEACH LN	PO BOX 1333	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 193 019 000	AADNESEN MICHAEL J & MARGARET	555 PEACH LN	PO BOX 182	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 002 000	STALLIONS NEAL & ELLEN	9116 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 194 006 000	HOWARD VERNON & OLINDA MARGARET	621 OLDHAM DR	P O BOX 56	MILTON WA 98354	RESIDENTIAL	1	
040 194 012 000	ANDRASZ STANLEY L & JENNIFER A	9070 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 194 016 000	SMITH LESLIE E & WILLIAMS BARBARA J	610 PEACH LN	336 THIRD ST	YREKA CA 96097	RESIDENTIAL	1	
040 194 018 000	GRANVILLE SHARYN LYN	633 OLDHAM DR	630 KENTUCKY GREENS WAY	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 023 000	MONAHAN WILLIAM REED & MARY SUE	620 PEACH LN	P O BOX 383	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 028 000	GARCIA JOSE C & ANA A TRUSTEES	9140 VALLEY VIEW	PO BOX 282	NEWCASTLE CA 95658	RESIDENTIAL	2	
040 194 030 000	HOLLEY GENE C TRUSTEE C/O JAMES HOLLEY	630 OLDHAM DR	PO BOX 315	NEWCASTLE CA 95658	RESIDENTIAL	1	

APN#	Property Owner/Customer Name	Physical Address All: Newcastle, CA 95658	Customer Mailing Address	City, State, Zip	Property Designation	SPMUD EDU	
						Res.	Comm.
040 194 035 000	FICHTNER DANIEL P & VICKI L	630 PEACH LN	SAME	SAME	RESIDENTIAL	1	
040 194 037 000	GRAY PATRICIA L	601 PEACH LN	P O BOX 742	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 039 000	MILLIGAN RONALD E & DEBRA LYNNE	650 PEACH LN	P O BOX 629	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 040 000	OSBORN CHRISTOPHER JOHN & BONNIE JEAN TRUSTEES	680 KELLOGG ST	930 KIDDER CT	AUBURN CA 95603	RESIDENTIAL	1	
040 194 041 000	HURTADO CORNELIO	670 KELLOGG ST	SAME	SAME	RESIDENTIAL	1	
040 194 042 000	BICE DOUGLAS & MARCIA	625 CHERRY LN	PO BOX 855	NEWCASTLE CA	RESIDENTIAL	1	
040 194 043 000	FUREBY ROBERT	635 CHERRY LN	11054 S LYNFORD DR	SANDY UT 84092	RESIDENTIAL	1	
040 194 046 000	ROBINSON FLOYD & STACY	9150 VALLEY VIEW DR	SAME	SAME	RESIDENTIAL	1	
040 194 047 000	BAIN DENNIS T	645 CHERRY LN	790 H ST	LINCOLN CA 95648	RESIDENTIAL	1	
040 194 049 000	SANDERSON SEAN A	655 CHERRY LN	P O BOX 1026	NEWCASTLE CA 95658	RESIDENTIAL	1	
040 194 050 000	WARD CHRISTIAN TRENT & JENNIFER JOY	640 OLDHAM LN	P O BOX 2055	LOOMIS CA 95650	RESIDENTIAL	1	
040 194 051 000	WARD CHRISTIAN TRENT & JENNIFER JOY	652 OLDHAM DR	P O BOX 2055	LOOMIS CA 95650	RESIDENTIAL	1	
040 195 004 000	DMD MARBLE & GRANITE	611 KELLOGG ST	SAME	SAME	COMMERCIAL		2.93
040 330 044 000	CALIFORNIA STATE OF (CHP OFFICE)	9440 INDIAN HILL RD	PO BOX 709	NEWCASTLE CA 95658	COMMERCIAL		2.37
040 330 045 000	ROSE ELLIOTT F & SHARON D TRUST, ET AL C/O R&S PROP.	681 NEWCASTLE RD #7	PO BOX 111	NEWCASTLE CA 95658	COMMERCIAL		4.51
040 330 046 000	CHARTER PROP. V LLC ET AL DBA BENNY'S RESTAURANT	681 NEWCASTLE RD	C/O VISIONS, INC. 8348 FOXFIRE DR.	ORANGEVALE CA 95662	COMMERCIAL		9.31
040 330 051 000	FLYERS LLC	601 NEWCASTLE RD	2360 LINDBERG STREET	AUBURN CA 95602	COMMERCIAL		1.82
042 010 001 000	BAKER GREGORY S & DAWN	1410 KELLOGG ST	SAME	SAME	RESIDENTIAL	1	
042 010 008 000	HAINES JAMES N & JANA	1001 NEWCASTLE RD	SAME	SAME	RESIDENTIAL	1	
Totals:						195	103.55

(Res. Parcel 181)
(Comm. Parcel 38)
219

NEWCASTLE SANITARY DISTRICT RESOLUTION 2010 - 5

A Resolution of the Newcastle Sanitary District regarding approval of the Financing Agreement between South Placer Municipal Utility District and Newcastle Sanitary District for the 'Projects known as WWTP Decommission and System Repair.

WITNESSETH

WHEREAS, NSD has determined that decommissioning its treatment ponds and having its territory receive wastewater service through SPMUD meets both parties interest in protecting the watershed and is in the public interest; and

WHEREAS, SPMUD and NSD are in the process of annexing NSD into SPMUD, which has been submitted to LAFCO for their approval; and

WHEREAS, certain infrastructure repair and improvements to the NSD wastewater system (Project) are required to be made to comply with the conditions therein, and NSD requires financing to undertake these Project Improvements, and SPMUD is willing to provide financing to NSD for a portion of Project costs; and

WHEREAS, NSD and SPMUD understand that the agreement is necessary to carry forward the purposes and intent of the annexation and dissolution agreement; and

WHEREAS, the agreement is authorized by Sections 13801 and 13802, et seq., of Division 6 of the Public Utilities Code of the State of California (MUD Act).

WHEREAS, the Newcastle Sanitary District Board of Directors has reviewed said Agreement and letter of clarification dated June 17,2010 from Charles Clark and found them to be in order and appropriate to the need for the WWTP decommissioning and improvements, the Projects, and NOW, THEREFOR, BE IT RESOLVED by the Newcastle Sanitary District Board of Directors that the referenced Finance Agreement is hereby Approved.

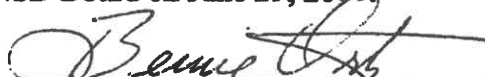
Passed and adopted at a Special meeting of the NSD Board of Directors on June 29, 2010 by the following vote:

AYES 5
NOES 0
ABSTAIN 0
ABSENT 0



Michael Webber, President NSD Board of Directors

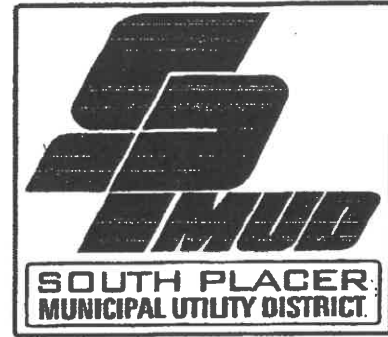
I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2010 - 5 duly and regularly passed and adopted by the NSD Board on June 29, 2010.



Bernie Ortiz, Clerk of the Board

June 17, 2010

Newcastle Sanitary District
P.O. Box 857
Newcastle, CA 95868



Attention: Mr. Michael Webber, President of the Board

Subject: Finance Agreement with SPMUD

Dear Mike:

Thank you for your correspondence regarding clarification of some of the items in the Financing Agreement. In response to NSD's request, the following is provided as to the intent and interpretation of the agreement:

NSD will not accrue any liability on interest for amounts put into deposit in the escrow account. Interest at the 2.5% rate will only accrue when and as amounts on deposit in the escrow account are disbursed/withdrawn. There is a different section in the agreement (Section 5 k) that will confirm this. Until disbursements are made from the escrow account any interest income on the deposited amount will belong to SPMUD.

SPMUD agrees that the intent to have approval over amounts withdrawn from the escrow account relates to providing oversight to all legitimate expenditures related to the project. Approval to fund the project expenses will remain with NSD.

"Delay in Construction" means a consecutive 6 month period, and not an intermittent period that totals 6 cumulative months. We agree that "acts of God" are beyond NSD's and SPMUD's control, and that such acts are not to be counted in the 6 months.

Respectfully,

Charles W. Clark
SPMUD General Manager

*mwj
6-29-10*

NOTICE OF PUBLIC HEARING

16361203

NOTICE OF PUBLIC HEARING
SOUTH PLACER MUNICIPAL UTILITY DISTRICT
NEWCASTLE SANITARY DISTRICT

NOTICE IS HEREBY GIVEN that the Newcastle Sanitary District (NSD) and the South Placer Municipal Utility District (SPMUD) will hold a joint Public Hearing on August 25, 2010 at the hour of 7:00 p.m. at the Portuguese Hall, 690 Taylor Road, Newcastle California to consider declaring and establishing a Project: Related Service Charge (PRSC) component in the existing \$78.00 per month per EDU (Equivalent Dwelling Unit) NSD sewer service charge. The purpose is to set the amount necessary for repayment to SPMUD of loans associated with the NSD Wastewater Treatment Plant Decommissioning Project and System Repairs Project ("Project"). The amount necessary has been determined by NSD to be \$54.00 per month per EDU and will be set by NSD as the Project Related Service Charge ("PRSC"). The PRSC will be adopted by SPMUD through the establishment of a Newcastle Special Benefit Area ("NSBA"). Notice is further given that the SPMUD General Manager has filed with the SPMUD Board of Directors a Report and Recommendation that the PRSC be adopted by SPMUD for repayment of loans associated with the Project, and that the NSBA be established for this purpose. Said Report and Recommendation was filed pursuant to the provisions of Section 14401 of the Public Utilities Code. A copy of the Report and Recommendation is on file at the SPMUD office at 5807 Springview Drive, Rocklin CA, and is available for public inspection during SPMUD business hours.

Dated: August 5, 2010

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

By: Carol J. Bean, Secretary

NEWCASTLE SANITARY DISTRICT

By: Bernie Ortiz, Secretary

PUBLISHED IN AUBURN JOURNAL: AUGUST 11, 18, 2010

The above space is reserved for the County Clerk's filing stamp:

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA
County of Placer

I am a citizen of the United States and a resident of Placer County. I am over the age of eighteen years, and not a party to the below mentioned matter. I am the principal clerk of The Auburn Journal, a newspaper of general circulation, which is printed and published in the City of Auburn, County of Placer. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the County of Placer, on the date of May 26, 1952 (Case Number 17407). The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

AUGUST 11, 18

I certify, under penalty of perjury, that the foregoing is true and correct.


Signature

Dated in Auburn, California

AUGUST 18, 2010

PROOF OF PUBLICATION
THE AUBURN JOURNAL
1030 High Street
Auburn, CA 95604-5910

PLACER LOCAL AGENCY FORMATION COMMISSION

RESOLUTION No. 2010-08

LAFCO No. 2009-5
Newcastle Sanitary District/South Placer
Municipal Utility District Reorganization

PROTEST HEARING FINDINGS

I, Kristina Berry, Executive Officer of Placer Local Agency Formation Commission, having been delegated the responsibility of holding a protest hearing in the above-referenced matter by Resolution Numbers. 2010-04 and 2010-05 and having duly held the hearing, do hereby determine and find as follows:

1. Notice of the protest hearing was given as required by law.
2. The protest hearing was opened at 10:00 a.m., on August 11, 2010 at the offices of the Placer Local Agency Formation Commission, 145 Fulweiler Ave, Suite 110, Auburn, California.
3. No protests were received.
4. The subject territory is considered to be inhabited. Protests were not received from either: (a) more than 25% of the registered voters within the subject territory, or; (b) more that 25% of the number of owners of land owning more than 25% of the assessed value of land within the subject territory.
5. Pursuant to Government Code section 57075(a)(3), it is hereby ordered that **LAFCO No. 2009-05, Reorganization of the Newcastle Sanitary District/South Placer Municipal Utility District** shall proceed without an election.
6. The Executive Officer will prepare and execute a certificate of completion upon satisfaction of all conditions of approval.

PLACER LOCAL AGENCY FORMATION COMMISSION

By: _____


Kristina Berry, AICP,
Executive Officer

Dated: August 11, 2010

Attest: _____


Linda Wilkie, Commission Clerk

July 19, 2010

South Placer Municipal Utility District (SPMUD).
Board of Directors
5807 Springview Dr.
Rocklin, CA 95677



Attn: Carol Bean
Secretary to the Board of Directors

Re: Report and Recommendations Regarding the Loan Repayment to the Newcastle Special Benefit Area (NSBA) and adopting the Project Related Service Charge (PRSC) for the NSBA.

Board of Directors:

Over the last several years we have been working with the Newcastle Sanitary District (NSD) to annex them into our District. We have an Annexation Agreement with NSD, LAFCO has approved this annexation, the two Districts have executed a Financing Agreement, and construction contracts have been designed and advertised.

My Technical Report is attached and made a part of this report and recommendation. After the board reviews this technical report, it is my recommendation that the Board approve the attached Resolution that establishes the NSBA which fixes the PRSC and procedures for completing the NSD Annexation.

Section 14401 of the Public Utilities Code (MUD Act) requires the Board to hold a Public Hearing within 40 days of the filing of this Report and Recommendations, and that notice of the time and place of the Hearing shall be published once a week for two successive weeks.

Respectfully submitted,

Charles W. Clark, P.E.
General Manager

Cc: Adam Brown, District Counsel

Technical Report

South Placer Municipal Utility District

Subject: NSD/SPMUD Financial Agreement and Newcastle Special Benefit Area (NSBA) Resolution

Date: July 19, 2010

Prepared For: SPMUD Board of Directors

Prepared By: Charles W. Clark, SPMUD General Manager

1. Purpose

This report will provide the Board with information to approve a resolution establishing a Special Benefit Area for the Newcastle area customers (current and future), and adopt the Project Related Service Charge. The report addresses the following issues related to the NSD annexation into SPMUD and establishing the special benefit area to repay SPMUD for funds loaned to complete the construction contracts and other work (hereafter, Project) required of NSD to connect to the SPMUD facilities:

- a. The LAFCO approval of the NSD Annexation,
- b. The upfront credit (purchase) of the NSD land at fair market value,
- c. Establishing the loan repayment for NSD customers,
- d. Approval of the financing agreement,
- e. Establishing the NSBA and setting the Project Related Service Charge (PRSC);
- f. Establishing conditions for new connections to the NSBA;
- g. Award of the construction contract(s) for the Project,
- h. Accepting the NSD improvements and infrastructure and providing service,
- i. Dissolution of NSD as an agency.

2. Discussion

The Boards of both SPMUD & NSD have worked for several years to establish the terms of annexation and a financial agreement to fund the improvements necessary for SPMUD to receive NSD flows and accept their assets. The elements for the Project are defined in Section 2.c. of the Financing Agreement. My analysis of the cost is shown in Table 1 below. The assumptions made in the preparation of the analysis are:

- a. NSD has 298.55 SPMUD EDU's that will be obligated to repay the SPMUD loan.
- b. SPMUD will make available a total loan of \$5,560,000 million.
- c. The terms of the loan will be set at 2.5% interest over a 40 year pay-back period.
- d. NSD will pay the full Regional Participation Fee to SPMUD for remittance to the SPWA; the local participation fee is covered in improvements to the SPMUD sewer system.
- e. The NSBA Resolution will establish the terms of repayment and set the PRSC.
- f. Every EDU (both old and new) will contribute an equitable amount to repay the construction portion of the loan (via a Project Related Participation Fee (PRPF) for new EDUs).
- g. The PRPF and PRSC from new EDUs will be used to pay off principle and will shorten the repayment period of the loan.

- h. NSD's cash reserves will be made available to fund any Project costs over the amounts of the loans and grants.

The construction and project management cost will be the responsibility of NSD; SPMUD will provide over-site to insure the work complies with the District's standards. The "Fair Market Value" of NSD's ponds is established at \$675,000 and will reduce the repayment amount of the loan. The land appraisals were done in April and the bid opening was June 29th.

3. Analysis

The table below provides a summary of the investment analysis. The amounts are based on the actual contract bids for the Project and land value as agreed by both Districts. The EPA grant amounts may change.

TABLE 1- SUMMARY NSD PROJECT FUNDING ANALYSIS

NOTES	DESCRIPTION	\$ AMT
A	SPMUD TOTAL LOAN AMOUNT	5560000
B	SPMUD INTERIM LOANS TO NSD	-410000
C	AMOUNT DEPOSITED IN ESCROW[A-B]	5150000
D	LAND PURCHASE	-675000
E	NSD TO REPAY [A-D]	4885000
F	EPA GRANT (SUBJECT TO CHANGE)	1223000
G	REGIONAL CONNECTION FEE	-1898500
H	CONSTRUCTION RELATED COST	4534400
I	PRSC (\$/MO/EDU)	54
J	TOTAL PRINCIPLE PLUS INTEREST	7382174
K	TOTAL FY 2010/11 SERVICE CHARGE (\$/MO/EDU)	78

NOTES:

- A- Amount SPMUD to loan to NSD.
- B- Includes \$60k for system assessment and \$350k for Interim Loan costs.
- C- Total SPMUD loan amount placed into an Escrow Account.
- D- Based on average of two Appraisals, done by each District.
- E- SPMUD loan(s) minus land value
- F- Placer Co. has \$1.283M of the grant funds is available for construction costs.
- G- Based on 298.55 EDU times the FY10/11 SPWA participation fee of \$6359.
- H- Construction funds = escrow amount + EPA grant – SPWA fee
- I- Terms at 2.5% over 40 years
- J- Total principal and interest to be paid by NSD area customers
- K- Equals the monthly PRSC plus the regular SPMUD monthly service charge.

This analysis runs the loan amount out to \$5.56M; NSD has selected a repayment amount of \$4.885M (loan amount minus land purchase credit). This amount is expected to result in a contract award based on the favorable bids received for the project. LAFCO approved the annexation on June 29, 2010 which is well before the start of 'The Project', but the actual effective date of the annexation (when the territory actually becomes part of SPMUD) will not be

until NSD awards a contract for the project sometime after August 29,2010. This is in accordance with the Annexation Agreement and LAFCO conditions of approval. If NSD does not award a contract, then the annexation does not become effective and neither party shall have any obligation to the other party. The financing agreement contains similar termination / non-effective clauses.

4. Finance Agreement & NSBA

The SPMUD/NSD Financing Agreement was executed on June 30, 2010 and establishes the terms, conditions, and arrangements between SPMUD and NSD for SPMUD to partially fund the Project and how we will secure repayment from the NSD area customers. The SPMUD approved this agreement at its regular June 2010 Board meeting. NSD approved and signed the agreement on June 29, 2010

NSD advertised the Project with a bid opening date of June 29, 2010. Based on the bids received, NSD has determined that the Project is fiscally feasible for them. NSD determined \$54 of their current \$78 service charge will be applied towards the loan repayment (PRSC).

A joint public hearing to fix the repayment amount for the loan will be held by NSD and SPMUD: one, for NSD to declare the \$54 amount as the PRSC; and two, for the SPMUD Board to create the Newcastle Area Special Sewer Benefit Area (NSBA) and fix the Project Related Service Charge (PRSC) based on receipt of my 'Report and Recommendation'. This meeting is required to comply with the 45 day minimum review period under Proposition 218 requirements, AND the MUD Act requirement to hold the hearing within 40 days of the Report and Recommendation.

The MUD Act and 218 hearings are scheduled for August 25, 2010 in Newcastle. NSD will set their repayment amount, and SPMUD would adopt the Resolution to create the Newcastle Area Special Sewer Benefit Area (NSBA) and fix the Project Related Service Charge (PRSC) (see Appendix A). Award by NSD of the Project contracts could take place anytime after that hearing.

5. Summary

The SPMUD and NSD have developed the terms for NSD to annex into SPMUD, completed the LAFCO approval process for annexation and dissolution, finalized the Financing Agreement, received land appraisals for NSD's ponds, and completed the planning, engineering, design and advertisement of the Project contracts.

a. LAFCO Approval of the NSD annexation.

On June 29, 2010 the LAFCO Commission approved the annexation of NSD into SPMUD. The conditions of approval are those contained in the Annexation Agreement between NSD and SPMUD. Of importance is that the effective date of the annexation is to be at that time NSD awards a contract for the Project. SPMUD will notify LAFCO when this occurs.

b. Upfront credit of the NSD land at fair market value

Both NSD and SPMUD have conducted independent fair market appraisals of the value of the NSD land. The average of the two appraisals has been agreed to be the fair market value. The fair market value is \$675,000. In accordance with the Financing Agreement this amount will be applied as a credit against the loan made by SPMUD to NSD. This returns the value of the land to the NSD customers immediately instead of at a much later date. With this consideration, SPMUD will not be under a future obligation to provide additional credit when the land is disposed.

c. Establishing the loan repayment for NSD customers

Based on the favorable bids received for the Project and other considerations, NSD has determined the loan amount that will be needed from SPMUD. The total loan to be made available to NSD is \$5,560,000 of which \$410,000 has been previously provided. The balance of the loan (\$5,150,000) will be placed into an escrow account. With consideration given to the upfront credit provide for the NSD lands (\$675,000), the amount to be repaid to SPMUD is \$4,885,000. This is the amount that NSD will use to establish/declare the PRSC to be \$54 per EDU per month. The PRSC at \$54 is sufficient to fully satisfy the loan repayment terms contained in the Financing Agreement (2.5% over 40 years).

d. Approval of the Financing Agreement

The Financing Agreement has been approved and signed by both parties as of June 30, 2010. Among the terms and conditions contained in the agreement are those related to the amount of the loan to be made to NSD, the repayment to SPMUD via the PRSC, establishment of the Newcastle Special Benefit Area (NSBA), and the requirement to hold the necessary public hearings?

e. Establishing the NSBA and setting the Project related Service Charge

A joint public hearing under the Proposition 218 process and the MUD Act is set for August 25, 2010. NSD should declare the amount of the PRSC necessary for repayment of the loan, and SPMUD should adopt that amount as the PRSC and establish the NSBA for that purpose. The notice related to the Proposition 218 process was mailed to the affected NSD customers on July 9, 2010, and is attached as Appendix B.

f. Establishing conditions for new connections to the NSBA.

Currently, there are the equivalent of 298.55 EDU's (SPMUD EDU's) initially connected in NSD. This is the effective total of EDU's that is to be set at that time NSD awards a contract for the project, and these EDU's will be responsible for repayment of the loan. Future connected EDU's will be considered new connections. The NSBA Resolution contains provisions that require the new connections to pay the same PRSC as the initial connections, as well as a Project Related Participation Fee (PRPF)—(similar to a buy-in fee). The payments of the PRSC and PRPF made by the new connections will be applied to the principal amount of the loan to reduce the repayment period.

g. Award the construction contract(s) for the Project

On June 29, 2010 NSD opened bids for the Wastewater Treatment Decommissioning project. The apparent low bid is \$2,883,235. On that same date bids were also opened for the Systems Repair Project, with the apparent low bid being \$587,451. These are viable amounts

for the Project(s) to move forward. The contract documents require NSD to award a contract within 60 days of the bid opening date (with a provision to extend the period to 90 days if necessary). The public hearing process must be completed before the award can be made. NSD, shortly after the August 25, 2010 public hearing, is expected to take action to award the contract(s).

h. Accepting the NSD improvements and infrastructure and providing service.

The NSD improvements will be accepted in two primary stages. The first stage will be a partial acceptance when the pump station, force main, and repairs have been constructed. This is necessary in order for flows to be directed to SPMUD's sewers to allow the ponds to be decommissioned. At that time NSD will be treated as a single customer of SPMUD and will be required to begin repayment of the loan as well as payment of SPMUD's normal service charge. Upon full completion of the project, the final stage will be for SPMUD to accept all elements of the project under a final resolution. When this occurs, the NSD customers will begin to be billed individually for the PRSC and SPMUD's normal service charge. Prior to SPMUD's acceptance, all construction will have been completed and certain administrative activities will need to be completed: final audit of NSD; transfer of easements and other documents; disposal/receipt of NSD remaining assets; and other miscellaneous activities.

i. Dissolution of NSD as an agency

At the June 29, 2010 LAFCO meeting, the Commission approved the dissolution of NSD, with the condition that the dissolution is not effective until completion of the Project and acceptance thereof by SPMUD. Upon SPMUD's final acceptance of the Project by resolution, we will notify LAFCO of this, and the dissolution will be completed.

6. Recommendation

It is recommended that the Board adopt the PRSC and establish the NSBA under Resolution No. 10-09 at the joint meeting with NSD on August 25, 2010.

ATTACHMENTS

- A. SPMUD RESOLUTION ESTABLISHING THE NEWCASTLE SPECIAL BENEFIT AREA (NSBA) AND PROJECT RELATED SERVICE CHARGES (PRSC) [without Attachments]
- B. PROPOSITION 218 NOTICE OF PUBLIC HEARING
- C. THE PRSC & PRPF CALCULATIONS AND NSBA LOAN REPAYMENT TABLE
- D. SPMUD-NSD FINANCE AGREEMENT [without Attachments]

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
RESOLUTION 10-09**

**CREATING THE NEWCASTLE SPECIAL BENEFIT AREA ("NSBA")
AND
LEVYING A SPECIAL SEWER BENEFIT AREA PROJECT RELATED SERVICE CHARGE**

WHEREAS, the Newcastle Sanitary District (NSD), a Sanitary District organized and existing under the laws of the State of California, through duly noticed public hearings and action by the Board of Directors of NSD, has determined that it is in the best interest of the ratepayers of NSD and the general public in serving the sanitary sewer needs of the Newcastle area, providing superior sewer service and treatment, and maintaining compliance with applicable water quality control regulations, to decommission its wastewater treatment ponds and make improvements to its wastewater system so its service area can receive wastewater service through the South Placer Municipal Utility District (SPMUD); and

WHEREAS, SPMUD and NSD agree that SPMUD is the logical agency to provide said wastewater service from an operational, geographic and economic standpoint; and

WHEREAS, sewer service provided by SPMUD to the Newcastle area will further SPMUD's interest and the interest of the general public in protecting the local watershed; and

WHEREAS, the NSD wastewater system requires certain infrastructure repairs and improvements to be made in connection therewith prior to SPMUD's acceptance; and

WHEREAS, SPMUD and NSD have entered into agreements relating to the annexation of the NSD service area to SPMUD and the financing of project costs associated with the annexation, and said agreements require the creation of a special sewer benefit area for the adoption and levying of a project-related service charge.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PLACER MUNICIPAL UTILITY DISTRICT AS FOLLOWS:

Section 1 Findings

The Board of Directors of SPMUD finds and declares as follows:

A. SPMUD has agreed to provide financing in the amount not to exceed \$6,000,000.00 (six million and 00/100 dollars) to NSD for the purpose of constructing improvements and carrying out that certain project (as described in the definitions below).

B. The amount financed by SPMUD provides a special benefit to the landowners / customers in the NSD area above and beyond that of a general nature, and said amount, together with interest, requires repayment to be made to SPMUD by those receiving said special benefit.

C. The creation of a special benefit area will facilitate the security and repayment to SPMUD of the amount required to be repaid by those who are benefitted by the financing provided by SPMUD to NSD.

Section 2 Related Documents

Documents related to this Resolution are as follows and are appended hereto by attachment:

A. "Agreement between South Placer Municipal Utility District and Newcastle Sanitary District regarding Annexation and Dissolution", dated October 13, 2009 ("Annexation Agreement")—Appendix, Attachment A.

B. "Financing Agreement—South Placer Municipal Utility District and Newcastle Sanitary District", and attachments thereto, dated June 30, 2010 ("Financing Agreement")—Appendix, Attachment B.

Section 3 Definitions

Words and phrases used in this Resolution have the following meaning:

A. "Amount Repayable" means the total amount of financing provided by SPMUD to NSD under the Financing Agreement that is required to be repaid to SPMUD, including interest thereon.

B. "EDU" means Equivalent Dwelling Unit, the unit of measurement under SPMUD ordinance used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single family residential occupancy. Residential EDU's are determined at one (1) EDU per living unit. Commercial/Industrial EDU's are determined at fractions or wholes of an EDU based on square footage and type of use, and/or on flow and strength.

C. "NSBA" means the Newcastle Special Benefit Area, the terms set forth herein.

D. "NSD" means the Newcastle Sanitary District, its officers, employees, and agents, and the lands and area within its legal boundaries.

E. "NSD area" means the whole of the territory within the legal boundaries of NSD, which area is being annexed to SPMUD.

F. "Project" means the NSD sewer system improvements to be made under the '*NSD Wastewater Treatment Plant Closure and Pipeline Project*' and the '*NSD System Repair Project*' contracts. The scope of work includes but is not limited to, decommissioning and/or removing from service any existing NSD wastewater treatment pond(s), spray field(s) or other facilities; construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, and connections to existing facilities; rehabilitation of the NSD wastewater system; and any other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system; together with the acquisition of easements and rights-of-way, project administration and related services and costs and any connection charges and fees; and any and all studies, reports and designs related thereto.

G. "PRPF" means the Project Related Participation Fee, that fee payable by new connections within the NSBA which are made after the effective date of the NSBA, as set forth in Section 6, below.

H. "PRSC" means Project Related Service Charge, a special area service charge imposed on an EDU basis on the landowners / customers in the NSBA area that are connected to the wastewater system for repayment to SPMUD of the Amount Repayable.

I. "SPMUD" means the South Placer Municipal Utility District, its officers, employees, and agents, and the lands and area within its legal boundaries.

Section 4 Creation of Special Benefit Area

A. There is hereby created and established the Newcastle Special Benefit Area ("NSBA"), the boundary of which is shown and described in Exhibit "A" and Exhibit "B" attached hereto and incorporated herein by reference, the area of which is also coterminous with the NSD area being annexed to SPMUD.

B. The effective date ("Effective Date") of the NSBA shall be the date of NSD's dissolution, which shall be the date that SPMUD adopts a Resolution accepting all elements of the Project. The NSBA shall remain in existence until the obligation to repay the Amount Repayable has been satisfied.

C. All lands within the NSBA shall be subject to the payment of the Project Related Service Charge (PRSC) as provided for below, plus SPMUD's normal monthly service charge and other obligations and rates and charges otherwise payable by all customers of SPMUD as such may be enacted, amended or imposed from time to time by the SPMUD Board of Directors.

Section 5 Levying of the NSBA Project Related Service Charge (PRSC)

A. The PRSC is hereby fixed and established at \$54.00 per EDU per month on the lands in the NSBA that are the initial connections to the NSD area wastewater system, as said initial connections, on an EDU basis, exist(ed) on the date that an award of a contract for the Project has been made. Said connections have been determined under SPMUD Ordinance 09-02 to be 298.55 EDU's, which are further listed and identified in the Appendix, Attachment C, and shall remain fixed for the duration of the term required for repayment of the Amount Repayable to SPMUD. The PRSC shall be used exclusively to repay the principal and interest on the Amount Repayable, and repayment shall be the sole and exclusive obligation of the landowners / customers initially connected to the NSD area wastewater system. Payment of the Project Related Service Charge shall remain in effect until such time as the obligation for the Amount Repayable has been satisfied.

B. The PRSC shall be a separate service charge, in addition to the normal monthly SPMUD service charge. Billing shall be quarterly on the regular SPMUD billing cycle, or at such other frequency/cycle as may be determined by SPMUD in its sole discretion. The PRSC may be shown and included on the same bill as the normal SPMUD service charge bill. The collection and payment of the PRSC shall be subject to Division 6 of the Public Utilities Code of the State of California.

C. From and after the Effective Date of the NSBA, additional connections, on an EDU basis, made to the wastewater system in the NSBA, shall be subject to payment of a Project Related Participation Fee and the payment(s) of the PRSC as provided for in Section 6, below.

Section 6 Additional Connections to the Wastewater System in the NSBA

A. Project Related Participation Fee (PRPF): The Project improvements undertaken as a result of the financing provided by SPMUD are of such size, character and quality that a supplemental benefit to additional landowners / customers in the NSBA is available. This supplemental benefit is being secured by the landowners / customers initially connected as a result of their financial obligation (under Section 5 A above) to repay to SPMUD the Amount Repayable. In consideration of such supplemental benefit being provided by the customers initially connected, all additional connections to the wastewater system in the NSBA shall be subject to the payment of a Project Related Participation Fee, which Fee represents each additional connection's representative fair share of the Project costs for the supplemental benefit received.

B. The PRPF is based on the actual cost of the NSBA improvements and hereby fixed and established at \$468.00 per EDU per calendar year. Except that in each subsequent year the amount will be reduced by a straight-line depreciation spread over the 40 year term of the loan. The PRPF begins on January 1, 2013. The Fee shall be paid at the same time the SPMUD sewer Participation Charge(s) are paid. The PRPF shall be applied to the outstanding principal balance of the Amount Repayable, specifically to reduce the principal balance then outstanding.

C. From and after the date of connection to the wastewater system in the NSBA, all new connections shall be subject to the payment of the PRSC in accordance with the requirements for payment as provided for in Section 5 above, plus SPMUD's normal monthly service charge and all other charges generally imposed on all customers within SPMUD, as such may be enacted, amended or imposed from time to time. The PRPF & PRSC collected on the new connections shall be applied to the outstanding principal balance of the Amount Repayable, thereby reducing the principal balance and the repayment period.

D. Annexations to SPMUD that use any of the NSBA funded improvements shall automatically be a part of the NSBA, and thereafter be subject to all of the requirements of this Resolution; provided, however, that the SPMUD Board of Directors may, by resolution, specifically exclude such annexation from becoming a part of the NSBA.

PASSED AND ADOPTED by the Board of Directors of South Placer Municipal Utility District, this 25th day of August, 2010

AYES:

NOES:

ABSTAIN:

ABSENT:

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

James T. Williams, President

ATTEST:

Carol J. Bean, Secretary

NOTICE OF PROPOSED SEWER SERVICE CHARGE ADJUSTMENT

The Newcastle Sanitary District (NSD) and the South Placer Municipal Utility District (SPMUD) will hold a joint Public Hearing on *August 25, 2010 at 7:00 p.m. at the Portuguese Hall, 690 Taylor Road, Newcastle California* to consider declaring and establishing a Project Related Service Charge (PRSC) component in the existing \$78.00 per month per EDU (Equivalent Dwelling Unit) NSD sewer service charge. The purpose is to set the amount necessary for repayment of loans associated with the NSD Wastewater Treatment Plant Decommissioning Project and System Repairs Project ("Project"). The amount necessary has been determined to be \$54.00 per month per EDU and will be set by NSD and adopted as the Project Related Service Charge ("PRSC") by SPMUD through the establishment of a *Newcastle Special Benefit Area* ("NSBA"). Because the \$54.00 per month per EDU PRSC is included in the existing NSD service charge of \$78.00 per month per EDU, the overall service charge is not increasing under this adjustment. The PRSC at \$54.00 per month per EDU will become effective upon completion of the Project (in approximately 1 1/2 years) at which time sewer service operations to the NSD area will become the obligation of SPMUD. Thereafter, the \$54.00 per month per EDU PRSC will be collected by SPMUD together with SPMUD's normal wastewater service charge (\$24.00 per month per EDU beginning July 1, 2010 with \$2 annual increases over the next 3 years). The \$936/yr/EDU (for the typical single family home) currently collected with your property taxes for NSD sewer service will stop once SPMUD accepts the Project and begins billing the NSD customers directly for the PRSC and the normal service charge.

NSD provides sewer service to much of the Newcastle community and provides wastewater treatment via ponds with land irrigation disposal. The NSD ponds do not meet current regulatory treatment standards and have a potential detrimental effect on the environment and watershed. Constructing a new wastewater treatment plant to meet today's standards is not fiscally viable. NSD has devoted many years in evaluating their options and has determined that closing the ponds and sending the untreated sewer to the regional wastewater plant in Roseville via SPMUD is the optimum solution, and the most financially feasible. To accomplish this, NSD must construct a new sewer pumping facility and piping to connect to existing SPMUD sewer lines in the Penryn area, then decommission the existing treatment ponds and irrigation disposal system, and make needed repairs to the existing sewer collection system in Newcastle. Once these improvements are completed, sewer service will be provided by SPMUD. NSD has been working with Placer County, SPMUD and other agencies for many years to accomplish this goal. We will be using local contractors to construct the Project.

NSD will receive \$1.283 million in federal grant monies from the EPA to aid in constructing the Project. However, the entire project is about \$6.8 million; therefore, NSD has entered into an agreement with SPMUD for a loan of approximately \$4.8 million to complete the Project. The loan will be required to be paid back by the sewer customers in the Newcastle area at a low interest rate of 2.5% over a period of 40 years. Once set, the PRSC at \$54.00 per month per EDU will not change. Additional connections in the Newcastle area made after completion of the Project will also be required to pay the PRSC along with the other related connection charges.

State Law (under Proposition 218) requires that written protests be presented during or prior to the Public Hearing by a majority of the affected landowners for the Board(s) not to implement the proposed rate adjustment. To protest the proposed rate adjustment, you must submit written notice of protest at or before the August 25, 2010 meeting, by either mailing it to the Newcastle Sanitary District at the following address: Newcastle Sanitary District, P.O. Box 857, Newcastle CA 95658; or hand delivering it at the meeting. Your protest must include: your name, property affected (address and Assessor Parcel Number [APN]), and the property owner's signature.

Further information may be obtained by contacting NSD at (916) 663-3927 (phone number of Mr. Ed Sander, General Manager and Board member); or SPMUD at (916) 786-8555.

DON'T MESS WITH THE FORMAT, THERE ARE HIDDEN COLUMNS AND ROWS THAT CONTAIN CALCULATIONS

NSBA LOAN REPAYMENT (RETURN TO CAPITAL FUND)									
A	B	C		D	E	F	G	H	I
NO. OF YRS	CAL YR	YRLY NEW EDU	YRLY PRPF ADJUSTMENT [3]	PRPF PYMT [2]	PRPF FUNDS NEW EDU'S (Cx D)	TOT. NSBA EDU'S	NSBA PRSC PYMT [1]	ANNUAL LOAN REPAYMT (F x G)	LOAN PAY-OFF (I-E-H) [4]
*	2011	-		\$ -	\$ -	0.0		\$ -	\$ 7,733,151
1	2012	-		\$ -	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,539,691
2	2013	-	\$ 468	\$ 468	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,346,230
3	2014	-	\$ 456	\$ 924	\$ -	298.6	\$ 54	\$ 193,460	\$ 7,152,770
4	2015	-	\$ 444	\$ 1,368	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,959,310
5	2016	-	\$ 432	\$ 1,800	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,765,849
6	2017	-	\$ 420	\$ 2,220	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,572,389
7	2018	-	\$ 408	\$ 2,628	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,378,928
8	2019	-	\$ 396	\$ 3,024	\$ -	298.6	\$ 54	\$ 193,460	\$ 6,185,468
9	2020	-	\$ 384	\$ 3,408	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,992,008
10	2021	-	\$ 372	\$ 3,780	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,798,547
11	2022	-	\$ 360	\$ 4,140	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,605,087
12	2023	-	\$ 348	\$ 4,488	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,411,626
13	2024	-	\$ 336	\$ 4,824	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,218,166
14	2025	-	\$ 324	\$ 5,148	\$ -	298.6	\$ 54	\$ 193,460	\$ 5,024,706
15	2026	-	\$ 312	\$ 5,460	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,831,245
16	2027	-	\$ 300	\$ 5,760	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,637,785
17	2028	-	\$ 288	\$ 6,048	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,444,324
18	2029	-	\$ 276	\$ 6,324	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,250,864
19	2030	-	\$ 264	\$ 6,588	\$ -	298.6	\$ 54	\$ 193,460	\$ 4,057,404
20	2031	-	\$ 252	\$ 6,840	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,863,943
21	2032	-	\$ 240	\$ 7,080	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,670,483
22	2033	-	\$ 228	\$ 7,308	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,477,022
23	2034	-	\$ 216	\$ 7,524	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,283,562
24	2035	-	\$ 204	\$ 7,728	\$ -	298.6	\$ 54	\$ 193,460	\$ 3,090,102
25	2036	-	\$ 192	\$ 7,920	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,896,641
26	2037	-	\$ 180	\$ 8,100	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,703,181
27	2038	-	\$ 168	\$ 8,268	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,509,720
28	2039	-	\$ 156	\$ 8,424	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,316,260
29	2040	-	\$ 144	\$ 8,568	\$ -	298.6	\$ 54	\$ 193,460	\$ 2,122,800
30	2041	-	\$ 132	\$ 8,700	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,929,339
31	2042	-	\$ 120	\$ 8,820	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,735,879
32	2043	-	\$ 108	\$ 8,928	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,542,418
33	2044	-	\$ 96	\$ 9,024	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,348,958
34	2045	-	\$ 84	\$ 9,108	\$ -	298.6	\$ 54	\$ 193,460	\$ 1,155,498
35	2046	-	\$ 72	\$ 9,180	\$ -	298.6	\$ 54	\$ 193,460	\$ 962,037
36	2047	-	\$ 60	\$ 9,240	\$ -	298.6	\$ 54	\$ 193,460	\$ 768,577
37	2048	-	\$ 48	\$ 9,288	\$ -	298.6	\$ 54	\$ 193,460	\$ 575,116
38	2049	-	\$ 36	\$ 9,324	\$ -	298.6	\$ 54	\$ 193,460	\$ 381,656
39	2050	-	\$ 24	\$ 9,348	\$ -	298.6	\$ 54	\$ 193,460	\$ 188,196
40	2051	-	\$ 12	\$ 9,360	\$ -	298.6	\$ 54	\$ 193,460	\$ (5,265)
TOTALS:									[4]

* ESTIMATED NSD NET CASH ASSETS AFTER DISSOLUTION

=> TO BE FILLED IN EACH YEAR

NOTES: (SEE PRSC&PRPF CALCS SPREADSHEET)

[1] BASED ON LOAN OF \$4,885,000 @ 25 OVER 40 YEARS .

[2] MONTHLY CALCULATED PRPF = \$39. THEN ANNUAL PRPF IS \$39 x 12= \$468.

[3] STRIGHT LINE 40 YEAR DEPRECIATION RATE OF \$12/YR.

[4] LOAN IS PAID OFF WHEN COLUMN "I" REACHES ZERO

FINANCING AGREEMENT

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT
AND
NEWCASTLE SANITARY DISTRICT**

This Financing Agreement ("Agreement") dated _____, 2010 is made and entered into by and between the South Placer Municipal Utility District, a municipal utility district, hereinafter referred to as "SPMUD", and the Newcastle Sanitary District, a public agency, hereinafter referred to as "NSD".

WITNESETH

WHEREAS, NSD has determined that decommissioning its treatment ponds and having its territory receive wastewater service through SPMUD meets both parties interest in protecting the watershed and is in the public interest; and

WHEREAS, SPMUD and NSD are in the process of annexing NSD into SPMUD, which has been submitted to LAFCO for their approval; and

WHEREAS, certain infrastructure repair and improvements to the NSD wastewater system (Project) are required to be made to comply with the conditions therein, and NSD requires financing to undertake these Project improvements, and SPMUD is willing to provide financing to NSD for a portion of Project costs; and

WHEREAS, NSD and SPMUD understand that this agreement is necessary to carry forward the purposes and intent of the annexation and dissolution agreement; and

WHEREAS, this Agreement is authorized by Sections 13801 and 13802, et seq., of Division 6 of the Public Utilities Code of the State of California (MUD Act).

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **PURPOSE AND INTENT.**

The purpose and intent of this Agreement is to establish the terms, conditions and institutional arrangement between the parties, related to the partial financing of the Project by SPMUD, and the securing of the repayment of amounts advanced/financed by SPMUD.

2. **DEFINITIONS.**

a. "Amount Repayable" means the total amount of financing provided by SPMUD to NSD under this Agreement and prior agreements (not to exceed \$6,000,000) for NSD's use to cover the costs to carry out the Project.

b. "EDU" means Equivalent Dwelling Unit, the unit of measurement per SPMUD Ordinance 09-02, used to determine design and fee requirements based on the typical average flow and strength of wastewater from a single family residential occupancy.

1. Residential EDU's are determined at one (1) EDU per living unit.

2. Commercial/Industrial EDU's are determined at fractions or wholes of an EDU based on square footage and type of use, and/or on flow and strength.
- c. "LAFCO" means Local Agency Formation Commission of Placer County, Calif.
- d. "NSBA" means the *Newcastle Special Benefit Area* that will establish SPMUD authority to collect the fees and charges from the NSD area.
- e. "NSD" means the Newcastle Sanitary District, its officers, employees, and agents, and the lands and area within its legal boundaries.
- f. "Project" means those improvements to be made under the Newcastle Sanitary District Wastewater Treatment Plant Closure and Pipeline Project and the Newcastle Sanitary District System Repair Project. The project elements including but not limited to:
 1. decommissioning and/or removing from service any existing NSD wastewater treatment pond(s), spray field(s) or other facilities;
 2. construction of new wastewater pump station(s), force main(s), manholes, gravity pipes, access roads, and connections to existing facilities;
 3. repairs to the NSD wastewater collection system;
 4. any other facility or appurtenance(s) required to connect the NSD customers to the SPMUD wastewater system;
 5. the acquisition of easements and rights-of-way, project administration, and all studies, reports and designs related thereto;
 6. Related services, costs, connection charges and related fees.
- g. "Participation Charge" also known as connection fee, means the sum paid to SPMUD in lawful money of the United States, and comprised of (i) a local component associated with the privilege of connecting to SPMUD's collection and transmission facilities whether such connection be voluntary or mandatory; and (ii) a regional component associated with treatment and disposal capacity at the South Placer Wastewater Authority ("SPWA") facilities.
- h. "Project Related Service Charge (PRSC)" means the portion of the current NSD service charge declared by NSD to be the amount applied to the existing NSD area customers for repayment of the loans/financing provided by SPMUD to fund the Project.
- i. "SPMUD" means the South Placer Municipal Utility District, its officers, employees, and agents, and the lands and area within its legal boundaries.

3. RELATED AGREEMENTS

- a. "Agreement between South Placer Municipal Utility District and Newcastle Sanitary District regarding Annexation and Dissolution", dated October 13, 2009 ("Annexation Agreement")
- b. "Loan Agreement", "Promissory Note", "Pledge Agreement", and "Security Agreement" all between Newcastle Sanitary District and South Placer Municipal Utility District and all dated March 23, 2009 (collectively "Interim Loan")
- c. "Letter of Agreement regarding South Placer Municipal Utility District (SPMUD) Assistance to Newcastle Sanitary District (NSD) for I/I and System Evaluation Work", dated May 13, 2008 ("Assistance Agreement")
- d. "Promissory Note", "Pledge Agreement", and "Security Agreement" all between Newcastle Sanitary District and South Placer Municipal Utility District and all dated _____, 2010 (collectively "Loan Documents")

4. FINANCING – GENERAL PROVISIONS

- a. Amount Financed: SPMUD has advanced/provided to NSD prior financing in the amount of \$410,000 (\$350,000 per the Interim Loan and \$60,000 in assistance services per the Assistance Agreement). SPMUD agrees to provide an additional amount up to \$5,590,000 for a total financed amount not to exceed \$6,000,000 for NSD use for covering the cost(s) in carrying out the Project.
- b. Amount Repayable: NSD agrees that the total financed amount of \$6,000,000 or such lesser amount as may mutually be agreed by the parties at or prior to the time NSD awards a contract for the Project, is the Amount Repayable to SPMUD. Repayment shall be the obligation of NSD and the NSD area customers secured through a Project Related Service Charge (PRSC) imposed on the NSD area customers as further specified in this Agreement.
- c. Interest Rate and Term: The parties agree that the amount financed is repayable at an interest rate of 2.5 % per year and a term of 40 years.
- d. NSD Property Asset (Credit): NSD property is an asset of the NSD area, the value of which shall benefit the NSD area. SPMUD and NSD agree that the property's fair market value, as mutually agreed upon is \$675,000, and shall benefit the NSD area in the form of a credit against the financed Amount Repayable to SPMUD, said credit to remain fixed at the time NSD awards a contract for the Project. In consideration of the application of said benefit/credit to reduce the Amount Repayable, SPMUD shall receive title to the land upon completion of the Project and dissolution of NSD, and SPMUD shall be under no further obligation to provide any additional credit benefit to the NSD area upon the sale or disposal of the land.
- e. Establishment of Escrow Account: Upon completion of the public hearing process as required under the "Obligation / Security for Repayment" provision of this Agreement, the following shall be accomplished:
 1. At or prior to the effective date of the annexation and time NSD awards a contract for the Project, SPMUD agrees to establish an escrow account for

the purposes of depositing an amount of up to \$5,590,000, or such lesser amount as mutually agreed by the parties.

2. The deposited amount shall be available from and after the date of the award of a contract for the Project for NSD's use in carrying out the Project.
3. Request(s) for disbursements from the escrow account shall be made in writing to SPMUD by NSD specifying the amount requested and the purpose. SPMUD must approve of the amount and purpose before it will approve the disbursements from the account.
4. In the event there is a majority protest under the Proposition 218 public hearing process, SPMUD shall be under no obligation to provide financing to NSD or deposit funds into the escrow account.

f. The parties agree that the NSD "tax share" to be received by SPMUD upon the dissolution of NSD, shall not be applied toward the repayable amount. Tax share payments received from the County of Placer will be applied to the benefit of all customers within the SPMUD service area to lower monthly service charges.

5. REPAYMENT

a. **Fixing Amount Repayable:** The Amount Repayable to SPMUD shall be established and fixed as of the date NSD awards a contract for the Project. This amount shall include the prior amounts (\$410,000) advanced/provided under the Interim Loan and the Assistance Agreement, and the additional amount provided by this Agreement of up to \$5,590,000 or such lesser amount as required or mutually agreed by the parties, adjusted by the fair market value of \$675,000 credit for the NSD property. Upon the award of a contract for the Project by NSD, this Agreement shall be considered the successor agreement to the prior Interim Loan and Assistance Agreement, and shall supersede and replace the Interim Loan and Assistance Agreement. Repayment to SPMUD of the Amount Repayable shall be as hereinafter specified.

b. **Obligation / Security for Repayment:** The Amount Repayable shall be an obligation of NSD and the NSD area customers, and shall be secured by a separate "Project Related Service Charge (PRSC)", imposed on the existing number of connected NSD area customers on an SPMUD EDU basis and shall be fixed as of the date NSD awards a contract for the Project.

c. **"Newcastle Special Benefit Area" (NSBA):** In accordance with Section 8 b. of the Annexation Agreement, as modified herein and provided for in accordance with Section 9 of the Annexation Agreement, the parties agree that the PRSC shall be established as follows:

1. SPMUD, by resolution, will create the "Newcastle Special Benefit Area" covering the NSD area, to be known hereafter as the NSBA, said NSBA to become effective upon the effective date that SPMUD adopts a separate resolution accepting all elements of the Project.
2. NSD agrees that the NSD area existing connected customers, as fixed on the date NSD awards a contract for the Project, will be within the NSBA and shall be

responsible for the current and ongoing sewer service charge as set by the SPMUD Board, plus a PRSC equal to the charge imposed by NSD per EDU for repayment of the loans and financing obtained by NSD from SPMUD in connection with the Project.

3. NSD shall declare the amount of the PRSC imposed by them per EDU for repayment of the loan(s)/financing; provided however, that NSD shall not declare and impose an amount per EDU less than that necessary to repay to SPMUD the Amount Repayable.

d. **Public Hearings:** NSD and SPMUD shall jointly conduct the required public hearings in accordance with State law (Proposition 218) in order to effect NSD's declaration / imposition of the PRSC. SPMUD shall adopt the PRSC and SPMUD's creation of the NSBA by separate resolution per the Public Utility Code, Division 6, Section 14401 (MUD ACT Chapter 11.5). The Proposition 218 process shall occur prior to NSD's award of a contract for the Project. In the event the Proposition 218 process results in a majority protest and/or NSD declares and imposes the PRSC in an amount per EDU less than that necessary to repay to SPMUD the Amount Repayable under the interest rate and term specified in Section 4c, SPMUD shall be under no obligation to provide funding for the Project.

e. **Commencement of Repayment:** Repayment to SPMUD by NSD of the Amount Repayable shall commence when SPMUD has adopted a resolution accepting the force main, pump station, and NSD system repair improvements, which shall occur promptly after NSD completes such facilities consistent with the approved plans and specifications, or at such other time as hereafter provided in this Agreement. Upon such acceptance, SPMUD and NSD agree that:

1. At such time and thereafter until NSD is dissolved, SPMUD will bill NSD the PRSC plus the current SPMUD service charge—both on an SPMUD EDU basis—for the NSD existing connected customers, as said connected customers were fixed on the date NSD awarded a contract for the Project.
2. NSD shall pay each such bill within 30 days after its receipt.
3. Upon dissolution of NSD, SPMUD will bill the existing NSD area connected customers directly for the PRSC and the SPMUD service charge.

f. **New Connections/Customers in the NSD Area:** From and after the date the existing connected NSD area customers are fixed on an SPMUD EDU basis and until such time as NSD is dissolved, all further connections to the NSD system shall be considered new connections / customers. Payment to SPMUD of fees and charges for new connections/customers in the NSD area shall be in the following manner:

1. Prior to the new connection, NSD shall collect an amount equal to the then current regional SPMUD participation charge on an SPMUD EDU basis and remit said regional participation charge to SPMUD. From and after the dissolution of NSD, SPMUD will impose its local and regional participation charge on all additional new connections/customers.
2. Upon SPMUD's adoption of a resolution accepting the force main, pump station, and NSD system repair improvements, and until NSD is dissolved, SPMUD will

bill NSD the current SPMUD service charge for the new connections/customers. NSD shall pay each such bill within 30 days after its receipt.

3. From and after the dissolution of NSD, SPMUD will bill the new connections/customers directly for the SPMUD service charge.
4. Nothing herein shall be construed as precluding SPMUD from additionally imposing and collecting the PRSC on new connections/customers under the NSBA after the dissolution of NSD.
5. Nothing herein shall be construed as precluding NSD from applying any or all of its own charges and fees to the new connections/customers until the dissolution of NSD.

g. **Unused Escrow Funds:** Amounts remaining in the escrow account at the time of the dissolution of NSD shall be used by SPMUD to reduce the principal of the outstanding Amount Repayable to SPMUD.

h. **Exhaustion of Escrow Funds:** In the event funds in the escrow account are exhausted prior to the completion of the Project, SPMUD shall be under no obligation to provide additional amounts into the escrow account. Project over-runs must be funded by NSD cash assets or other funding sources.

i. **Remaining NSD Assets:** All cash transferred to SPMUD by NSD at the time of its dissolution shall be used for the benefit of the NSD area, specifically to be applied by SPMUD to reduce the principal of the outstanding Amount Repayable to SPMUD.

j. **Amounts not Applicable to Amount Repayable:** The SPMUD service charge, the regional portion of the participation fee, any collected local portion of the participation fee, the NSD / SPMUD tax share received by SPMUD after the dissolution of NSD, and any other fee, assessment, charge or surcharge imposed generally on SPMUD customers shall not be applied toward the Amount Repayable to SPMUD.

k. **Interest on the Amount Repayable shall accrue beginning on the date(s) withdrawal(s) are made from the escrow account. Said accrued interest shall be paid on the date commencement of the Amount Repayable to SPMUD is made in accordance with Section 5 e above.**

6. **CONDITIONS PRECEDENT**

a. **Non-award of Contract by NSD:** In the event NSD does not award a contract for the Project prior to December 1, 2010, this Agreement shall terminate and be null and void and SPMUD shall not be obligated to provide funds to NSD, and NSD shall have no financial obligation to SPMUD except as follows: Prior amounts made available to NSD from SPMUD under the Interim Loan and the Assistance Agreement shall be repayable to SPMUD under the terms and conditions of those agreements. NSD shall not have access to or use of any funds deposited by SPMUD into the escrow account, and any monies therein shall be returned to SPMUD.

b. **Delay in Construction:** Upon the award of a contract for the Project, NSD shall ensure prosecution of the work to completion in a timely manner. In the event ongoing work on the Project associated with the force main, pump station, related facilities and NSD system repairs stops for a period of time in excess of 6 months at any time after the award of a contract, NSD shall commence repayment to SPMUD of the Amount Repayable in accordance with the "Commencement of Repayment" provisions contained in this Agreement.

c. **Insufficient Funds to Complete the Project:** In the event NSD awards a contract for the Project, and funds—above the amount(s) made available by grant funds and the financing provided by SPMUD under this Agreement, together with those amounts on hand in NSD's accounts—are insufficient for any reason to complete the Project, NSD shall adjust its service charge rates, through a Proposition 218 process, to generate sufficient funds to complete the project in a timely manner. If the Proposition 218 process fails as a result of a majority protest, whereby funds to complete the Project are not obtained, the entire outstanding balance of the Amount Repayable shall be declared by SPMUD to be due and payable, and said Amount Repayable, together with accrued interest, shall be paid to SPMUD by NSD not later than 5 years after such Proposition 218 hearing.

d. NSD acknowledges that SPMUD shall not be obligated to fund any money until the following conditions precedent have been fulfilled:

1. NSD shall execute and deliver to SPMUD a Promissory Note in the form attached hereto as Exhibit "A".
2. NSD shall execute and deliver to SPMUD a Security Agreement in the form attached hereto as Exhibit "B".
3. NSD shall execute and deliver to SPMUD a Pledge Agreement in the form attached hereto as Exhibit "C".
4. NSD shall have furnished to SPMUD copies of resolutions of the Board of Directors of the NSD in a form satisfactory to SPMUD authorizing the borrowing contemplated by this Agreement.

7. REPRESENTATIONS AND WARRANTIES OF NSD

a. NSD is a California public entity, duly organized and validly existing as a California Sanitary District under the laws of the State of California.

b. The borrowing of money by the NSD and the execution, delivery and performance of this Agreement are within the powers and capacities of the NSD and have been duly authorized by the Board of Directors of NSD following duly noticed and properly conducted proceedings.

c. There are no actions, suits or proceedings pending or to the knowledge of NSD threatened against or adversely affecting NSD in any court or before or by any federal, municipal or other governmental department, commission, board, bureau or agency which might materially affect the financial conditions of the NSD.

d. The execution and delivery of this Agreement, the consummation of the transaction contemplated by this Agreement, the execution and delivery to the SPMUD of the

Promissory Note, and the compliance with the covenants, terms, provisions and conditions of this Agreement will not conflict with or result in a violation of any of the provisions the statutes or ordinances of the NSD or any laws of the State of California governing NSD, or any agreement or instrument to which the NSD is now a party or which purports to be binding on the NSD or its property and assets.

e. This Agreement and all other documents or instruments to be delivered pursuant to this Agreement will, when executed and delivered, constitute valid and binding obligations of the NSD enforceable against it in accordance with their respective terms, except as may be limited by other documents or instruments delivered pursuant to this Agreement, or by applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting the enforcement of SPMUD's rights generally.

f. The borrowing of money under this Agreement and the execution and delivery of this Agreement do not require the consent or approval of any other party.

8. AFFIRMATIVE COVENANTS

NSD covenants with SPMUD that so long as any amount together with interest remains outstanding:

a. NSD will give SPMUD prompt written notice of any material change in the condition of the NSD, financial or otherwise.

b. NSD will diligently maintain, use and operate its property and assets and will carry on and conduct itself in a proper and efficient manner so as to preserve and protect the prudent operation of NSD's facilities.

c. NSD will duly and punctually pay to SPMUD the principal, accrued interest and all other monies payable on the dates as provided in the Promissory Note attached hereto as Exhibit "A".

d. NSD will pay or reimburse SPMUD for all costs, charges and expenses, including legal fees, incurred by SPMUD in connection with the recovery or enforcement of payment of monies under the terms of this Agreement.

e. NSD will do all acts that are necessary to maintain its existence under the laws of the State of California and will obtain, renew and maintain in full force and effect all authorizations, approvals, consents, licenses, permits and exceptions as may be required to enable NSD to observe and perform the obligations on its part to be performed under this Agreement, in connection with or incidental to this Agreement.

f. NSD will give to SPMUD written notice of the occurrence or threat of any material litigation, proceeding or dispute affecting NSD and will provide to SPMUD all information requested by SPMUD concerning the status of the litigation, proceeding or dispute.

9. EVENT OF DEFAULT

The principal and all interest payable together pursuant to this Agreement, shall, at the option of SPMUD, become immediately due and payable and any security held by SPMUD for

the payment thereof shall, at the option of SPMUD, become immediately enforceable under the following events:

- a. If NSD makes default in the repayment of any installment of principal or interest when it becomes due and payable.
- b. If NSD becomes insolvent or declares bankruptcy, or experiences a material change in its financial condition which SPMUD, in its sole discretion, determines will impair NSD's ability to continue making payments through the maturity date of the loan.
- c. Any notices to parties required by this Agreement shall be sent by electronic mail to the email addresses noted below, and delivered or mailed, U.S. first class, postage prepaid, addressed as follows:

SOUTH PLACER MUNICIPAL
UTILITY DISTRICT
5807 Springview Drive
Rocklin, CA 95677

Attention: Charles W. Clark
cclark@spmud.ca.gov

NEWCASTLE SANITARY DISTRICT
PO Box 857
Newcastle, CA 95658

Attention: Edgar Sander
sandered@sbcglobal.net

with a copy to:
SPMUD's General Counsel
Brown & Associates, PLC
11140 Fair Oaks Boulevard, Suite 100,
Fair Oaks, CA 95628
Attention: Adam C. Brown
adam@brnlaw.com

with a copy to:
(N/A)

10. MISCELLANEOUS PROVISIONS

- a. Time is of the Essence: Time is of the essence of this Agreement.
- b. Termination: In the event NSD does not award a contract for the Project, this Agreement shall terminate as provided in Section 6 above. This Agreement shall also terminate and neither party shall have any obligation to the other party, except for repayment of amounts under the Interim Loan and Assistance Agreement, if any of the following occurs: (1) the Local Agency Formation Commission denies the annexation or dissolution, or the annexation or dissolution is otherwise defeated; or (2) any of the actions/hearings to be conducted under the Proposition 218 process for the adoption of the PRSC required under the "Obligation / Security for Repayment" provision contained in this Agreement result in a majority protest to such charge.
- c. Amendments/Supplemental Agreements: This Agreement contains all the known and reasonably foreseeable covenants and Agreements between the parties with respect to the subject matter herein; provided, however, that this Agreement may be amended by, and/or supplemental agreements entered into between, the parties as may be necessary to further carry forward the purposes and intents contained herein. Any such amendment or supplemental agreement shall be in writing and be approved by the SPMUD's and NSD's respective Boards of Directors.

d. NSD covenants that it will execute or cause to be made, done or executed, all further and lawful acts, deeds, things, devices, conveyances, assignments, assurances whatsoever for effecting the purpose and intent of this Agreement.

e. This Agreement and all other agreements, security and documents to be delivered in connection with this Agreement shall be governed by and construed in accordance with the applicable laws of the State of California.

f. This Agreement shall be binding on and inure to the benefit of NSD, SPMUD and their respective successors and assigns, except that NSD shall not, without the prior written consent of SPMUD, assign any rights or obligations with respect to this Agreement. SPMUD may, in its sole discretion, transfer, assign or grant participation in its rights and obligations with respect to this Agreement or any other agreement contemplated to any person or entity, provided that SPMUD gives NSD 60 (sixty) days' written notice.

g. Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions of this Agreement which shall be deemed severable from the prohibited or unenforceable provision and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.

h. This Agreement shall be enforceable upon execution and delivery by NSD and SPMUD.

i. No waiver or act or omission of SPMUD shall extend to or be taken in any manner whatsoever to affect any subsequent event of default or breach by NSD of any provision of this Agreement or the results or the rights resulting from it.

j. This Agreement shall remain in full force and effect until the performance in full of all of the NSD's obligations under this Agreement.

k. NSD shall indemnify, defend and hold harmless SPMUD, its directors, officers, agents, and employees, from and against any and all liabilities, claims, or damages of any nature, including, without limitation, personal injury, including death, or property damage, which may arise from or be connected with the direct or indirect operations, action or inaction, of NSD or its contractors, subcontractors, agents or employees.

l. Entire Agreement: This Agreement is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the parties. Each individual executing this Agreement represents that he or she is duly authorized to enter its terms and conditions and to execute it on behalf of the party represented.

m. Interpretation of this Agreement. The parties acknowledge that each party has reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in

the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

n. Waiver of Rights: Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

o. Remedies Not Exclusive: The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

p. Attorney's Fees: If any action at law or equity, arbitration, or other proceeding is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expert witness fees in addition to any other relief to which it may otherwise be entitled.

q. Counterparts: This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT THE DATE(S) AND YEAR(S) BELOW WRITTEN.

SOUTH PLACER MUNICIPAL UTILITY DISTRICT	
_____	Dated _____, 2010
Charles W. Clark, General Manager	
APPROVED AS TO FORM	ATTEST
_____	_____
Adam C. Brown, SPMUD Counsel	Carol J. Bean, Secretary

NEWCASTLE SANITARY DISTRICT	
_____	Dated _____, 2010
President, Board of Directors	
APPROVED AS TO FORM	ATTEST
_____	_____
NSD, Counsel	Secretary, Board of Directors

[originals signed and dated on June 30,2010]

NOTICE OF PROPOSED SEWER SERVICE CHARGE ADJUSTMENT

The Newcastle Sanitary District (NSD) and the South Placer Municipal Utility District (SPMUD) will hold a joint Public Hearing on *August 25, 2010 at 7:00 p.m. at the Portuguese Hall, 690 Taylor Road, Newcastle California* to consider declaring and establishing a Project Related Service Charge (PRSC) component in the existing \$78.00 per month per EDU (Equivalent Dwelling Unit) NSD sewer service charge. The purpose is to set the amount necessary for repayment of loans associated with the NSD Wastewater Treatment Plant Decommissioning Project and System Repairs Project ("Project"). The amount necessary has been determined to be \$54.00 per month per EDU and will be set by NSD and adopted as the Project Related Service Charge ("PRSC") by SPMUD through the establishment of a *Newcastle Special Benefit Area* ("NSBA"). Because the \$54.00 per month per EDU PRSC is included in the existing NSD service charge of \$78.00 per month per EDU, the overall service charge is not increasing under this adjustment. The PRSC at \$54.00 per month per EDU will become effective upon completion of the Project (in approximately 1 1/2 years) at which time sewer service operations to the NSD area will become the obligation of SPMUD. Thereafter, the \$54.00 per month per EDU PRSC will be collected by SPMUD together with SPMUD's normal wastewater service charge (\$24.00 per month per EDU beginning July 1, 2010 with \$2 annual increases over the next 3 years). The \$936/yr/EDU (for the typical single family home) currently collected with your property taxes for NSD sewer service will stop once SPMUD accepts the Project and begins billing the NSD customers directly for the PRSC and the normal service charge.

NSD provides sewer service to much of the Newcastle community and provides wastewater treatment via ponds with land irrigation disposal. The NSD ponds do not meet current regulatory treatment standards and have a potential detrimental effect on the environment and watershed. Constructing a new wastewater treatment plant to meet today's standards is not fiscally viable. NSD has devoted many years in evaluating their options and has determined that closing the ponds and sending the untreated sewer to the regional wastewater plant in Roseville via SPMUD is the optimum solution, and the most financially feasible. To accomplish this, NSD must construct a new sewer pumping facility and piping to connect to existing SPMUD sewer lines in the Penryn area, then decommission the existing treatment ponds and irrigation disposal system, and make needed repairs to the existing sewer collection system in Newcastle. Once these improvements are completed, sewer service will be provided by SPMUD. NSD has been working with Placer County, SPMUD and other agencies for many years to accomplish this goal. We will be using local contractors to construct the Project.

NSD will receive \$1.283 million in federal grant monies from the EPA to aid in constructing the Project. However, the entire project is about \$6.8 million; therefore, NSD has entered into an agreement with SPMUD for a loan of approximately \$4.8 million to complete the Project. The loan will be required to be paid back by the sewer customers in the Newcastle area at a low interest rate of 2.5% over a period of 40 years. Once set, the PRSC at \$54.00 per month per EDU will not change. Additional connections in the Newcastle area made after completion of the Project will also be required to pay the PRSC along with the other related connection charges.

State Law (under Proposition 218) requires that written protests be presented during or prior to the Public Hearing by a majority of the affected landowners for the Board(s) not to implement the proposed rate adjustment. To protest the proposed rate adjustment, you must submit written notice of protest at or before the August 25, 2010 meeting, by either mailing it to the Newcastle Sanitary District at the following address: Newcastle Sanitary District, P.O. Box 857, Newcastle CA 95658; or hand delivering it at the meeting. Your protest must include: your name, property affected (address and Assessor Parcel Number [APN]), and the property owner's signature.

Further information may be obtained by contacting NSD at (916) 663-3927 (phone number of Mr. Ed Sander, General Manager and Board member); or SPMUD at (916) 786-8555.

**SOUTH PLACER
WASTEWATER
AUTHORITY**

**RESOLUTION NO.
2026-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY TO
CONSIDER OF THE MITIGATED NEGATIVE
DECLARATION AND NOTICE OF DETERMINATION
PREPARED FOR THE NEWCASTLE SANITARY
DISTRICT CLOSURE OF ITS WASTEWATER
TREATMENT PLANT AND PIPELINE CONSTRUCTION
(State Clearinghouse #2008112083); AND APPROVE A
MODIFICATION TO THE AUTHORITY'S 2025 SERVICE AREA
BOUNDARY (SAB) TO INCLUDE THE NEWCASTLE SANITARY
DISTRICT BOUNDARY.**

WHEREAS, Newcastle Sanitary District (“District”) acting as lead agency pursuant to the California Environmental Quality Act (“CEQA”) (Public Resources Code section 21000 et seq., 14 California Code of Regulations section 1500 et seq. (“CEQA Guidelines”) prepared and certified an environmental impact report for the Sunset Area Plan/Placer Ranch Specific Plan (SCH No. 2008112083); and

WHEREAS, as a responsible agency under CEQA, the South Placer Wastewater Authority (the “Authority”) is responsible for considering the Mitigated Negative Declaration for the proposed project, Exhibit “C” attached hereto; and

WHEREAS, for purposes of CEQA, the Proposed Project consists of the closure of the Newcastle Sanitary District wastewater treatment plant, the pipeline project to convey wastewater generated within the District’s service area through South Placer Municipal Utility District (“SPMUD”) wastewater system for treatment and disposal by the Regional Dry Creek Wastewater Treatment Plant and the annexation of the District services area into the SPMUD service area (“Project Approvals”); and

WHEREAS, the Project Approvals constitute a “project” for purposes of CEQA and CEQA Guidelines section 15378 and these determinations of the Authority; and

WHEREAS, the Authority has duly considered the Mitigated Negative Declaration, and all written materials in the administrative record connected therewith.

NOW, THEREFORE, BE IT RESOLVED THAT: The Authority hereby considers the Mitigated Negative Declaration adequate and in full compliance with CEQA and considers such certification as a basis for considering and acting upon the Project Approvals.

BE IT RESOLVED, that the Board of Directors of the South Placer Wastewater Authority (the "Authority") hereby approves the modification of the Authority's 2025 Services Area Boundary to include the area depicted in Exhibit "A" attached hereto resulting in the Service Area Boundary depicted in Exhibit "B" attached hereto as the Authority's 2026 Services Area Boundary.

BE IT FURTHER RESOLVED: That the Authority staff is directed to file a Notice of Determination with the County Clerk-Recorder within five (5) working days in accordance with Public Resources Code section 21152(a) and CEQA Guidelines section 15094.

Passed and Adopted by the Board of the South Placer Wastewater Authority, this 5th day of February 2026, by the following vote on roll call:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

ATTEST:

Secretary

AGENCY
I TEAM I
PARTNER AGENCIES TO
DISCUSS ADEQUACY OF GAS
FLOWS AND LOADS STUDY TO
INFORM FUTURE DECISIONS

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority Board of Directors **DATE:** January 20, 2026

FROM: Sean Bigley, SPWA Executive Director

AUTHORITY COMMUNICATION NO.: AC 26-07

SUBJECT: Facilitated Panel Discussion

For SPWA Board Meeting February 4, 2026

ACTION REQUESTED

None. This is an informational item for partner agencies to discuss the adequacy of the CASA Flows and Loads Study to inform future discussion by the SPWA Board.

BACKGROUND

A non-binding resolution asking the SPWA Board of Directors to provide direction to staff regarding CASA's equivalent dwelling unit (EDU) study for age-restricted and single-family residential projects was brought before the Board at the November 13, 2025, meeting.

Directors were not comfortable with passing the resolution at that time, asking for more time to review the study, as well as more thorough conversations between Board members and their partnering agencies be allowed.

SPWA Executive Director, Sean Bigley, recommended deferring the item and, in the interim, convening the partner agencies to discuss the questions that were presented at the November meeting. A meeting was held with all three partner agencies on December 15, 2025, and it was determined that a panel discussion, involving representatives from each partnering agency, would be held at the next Board Meeting.

This panel will directly address questions from the Directors, allowing further clarification regarding the study.

Members of the panel will include Robin Mahoney from Placer County, Eric Nielson from SPMUD, and Arashdeep Singh from the City of Roseville.

Submitted by:



Sean Bigley
Executive Director



**Facilitator questions for the February 4, 2026 Board Meeting – Agenda Item
(Presentations #1)**

1. Please provide a brief introduction (your name, title, organization, technical background (years in the wastewater industry) and any professional licensure).
2. In examining the localized assumptions behind Equivalent Dwelling Units (EDU's) and Age-Restricted Single-Family and Multi-Family Homes, what aspects of the CASA Flows and Loads Study are useful?
3. In examining the localized assumptions behind Equivalent Dwelling Units (EDU's) and Age-Restricted Single-Family and Multi-Family Homes, what is missing from the CASA Flows and Loads Study?
4. If the CASA Flows and Loads Study can be considered a starting baseline of information, what additional analysis is needed to appropriately conduct a local study of Equivalent Dwelling Units (EDU's) and Age-Restricted Single-Family and Multi-Family Homes? What would be the industry best practice? What would you recommend?
5. What resources would be needed to conduct a local study on Equivalent Dwelling Units (EDU's) and Age-Restricted Single-Family and Multi-Family Homes? Can this be done with staff only, in terms of subject matter expertise? Would your agency have the capacity to conduct such a study on its own? Or is outside professional consultant support needed?
6. Are you aware of any other existing local data regarding flow and loading from Age-Restricted, Single-Family, and/or Multi-Family homes?
7. How does your agency view capacity versus usage - what are the differences between the two?
8. In conclusion, what would you recommend as next steps on this topic?