

**AMENDMENT NO. 6 TO THE PROJECT AND
CAPACITY AGREEMENT FOR THE EXPANSION OF THE
WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY'S TREATMENT
PLANT**

THIS AMENDMENT NO. 6 is made and entered into by members of the Western Riverside County Regional Wastewater Authority (Authority), between the Home Gardens Sanitary District, a sanitary district (hereinafter "Home Gardens"), the City of Corona, a municipal corporation (hereinafter "Corona"), the City of Norco, a municipal corporation (hereinafter "Norco"), Jurupa Community Services District, a community services district (hereinafter "Jurupa"), and Western Municipal Water District of Riverside County, a municipal water district (hereinafter "Western") (sometimes hereinafter individually and collectively referred to respectively as "Party" or the "Parties"), and shall be effective upon execution of all of the Parties.

RECITALS

A. WHEREAS, Corona, Home Gardens, Jurupa, Norco, Western, and the Santa Ana Watershed Project Authority (SAWPA) entered into the Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant dated March 8, 2012 (hereinafter the "Project Agreement"), initially for a treatment plant expansion project of 4.0 million gallons per day ("MGD") thereby proposing to increase the current upgraded capacity of the Authority's treatment plant from 8 MGD to 12 MGD Total Rated Capacity.

B. WHEREAS, SAWPA formally withdrew from the Authority on June 30, 2012, thereby withdrawing itself as a Party to the Project Agreement.

C. WHEREAS, the Parties entered into Amendment No. 1 to the Project Agreement, effective July 31, 2012, for the purpose of rescheduling Jurupa and Norco advance deposits for the treatment plant expansion design work, and restructuring the installment due dates for Corona's Buy-In of \$4 Million.

D. WHEREAS, the Parties entered into Amendment No. 2 to the Project Agreement, effective November 14, 2012, to provide for Jurupa's 1.25 MGD expansion of treatment capacity for a revised treatment plant expansion project of 5.25 MGD thereby proposing to increase the current plant capacity from 8.0 MGD to 13.25 MGD of Total Rated Capacity and to memorialize the allocation of treatment capacity among the Parties upon completion of the proposed 13.25 MGD Project.

E. WHEREAS, the Parties entered into Amendment No. 3 to the Project Agreement, effective October 20, 2014, providing that Corona's \$4 Million Buy-In (Corona's capital contribution to join the Authority) shall be used in its entirety to help satisfy the State's mandatory Debt Service Reserve requirement, and to accommodate Home Gardens' requested 0.38 MGD and Corona's requested 0.37 MGD of additional treatment plant expansion capacity in the Authority's treatment plant thereby proposing to further increase the current plant capacity from 8 MGD to 14 MGD Total Rated Capacity

and to memorialize the allocation of treatment plant capacity among the Parties upon completion of the 14 MGD Project.

The Capacity Rights requested by Expanders (as defined in that Amendment No. 3) in the 6.0 MGD expansion project are as follows:

EXPANDERS	PROPOSED CAPACITY	PERCENTAGE
Corona	2.37 MGD	39.500%
Home Gardens	0.38	6.333
Jurupa	2.75	45.834
Norco	0.50	8.333
TOTAL EXPANSION	6.00 MGD	100.000%

F. WHEREAS, the Parties entered into Amendment No. 4 to the Project Agreement, effective June 21, 2016, increasing the Administrator's and the Executive Committee's aggregate change order approval authority to three (3%) percent of the estimated total cost of the Project of \$72.62 Million.

G. WHEREAS, the Parties entered into Amendment No. 5 to the Project Agreement, effective July 27, 2017, to further increase the Administrator's and the Executive Committee's aggregate change order approval authority by an additional \$500,000 for a total of three (3%) percent of the total estimated cost of the WRCRWA 14 MGD Expansion Project plus \$500,000.

H. WHEREAS, the Parties previously agreed October 2014, in Amendment 3, Section 20, that Non-Expanders would share a portion of the burden of estimated costs for odor control, pre-expansion centrifuge and third digester preparation costs if the Expander's unit costs were greater than \$10/gallon. Final actual expenditures tracked by the Administrator indicated the unit cost for the 6 MGD expansion exceeded \$10 per gallon.

I. WHEREAS, estimated costs were used in the Project Agreement and its amendments to determine cost obligations of the Parties, but now the Administrator provides the actual costs, eliminating the need to rely on estimated costs. Cost sharing can now be based on actual costs as opposed to the previously contemplated estimated costs. Such actual costs are shown in the "WRCRWA SRF Loan Allocation & Final Billing (Refund) Schedule" which is attached hereto as Exhibit A and made a part of this Amendment No. 6.

J. WHEREAS, the Authority, on behalf of Home Gardens, applied to the State Water Resources Control Board (SWRCB) for financial assistance from the Small Community Wastewater Grant (SCWG) fund and \$580,794 was awarded on April 14, 2015 as a principal forgiveness grant (HGSD Grant) for the benefit of Home Gardens. As such, the outstanding principal balance on the State Revolving Fund (SRF) loan at the project completion was \$74,110,618.40, calculated by subtracting the \$580,794 HGSD Grant from the \$72,620,000 total loan proceeds, and adding \$2,071,412.40 accrued interest during construction converted to loan principal.

K. WHEREAS, the Parties agree the HGSD Grant was for the benefit of Home Gardens; therefore, Home Garden's repayment obligations on total expansion costs funded by the SRF Loan would be reduced by the amount of the HGSD Grant.

L. WHEREAS, Home Gardens and Corona entered into a Capacity Transfer Agreement, effective April 1, 2019, transferring 0.25 of the 0.38 expanded treatment capacity as well as the associated cost or debt service obligation from Home Gardens to Corona, and such transfer had been previously approved by the Authority's Board of Directors. As a result of that capacity transfer the treatment plant capacity ownership is now as follows:

MEMBER	EXPANSION CAPACITY	PERCENTAGE	FINAL CAPACITY	PERCENTAGE
Corona	2.62 MGD	43.667%	2.62 MGD	18.714%
Home Gardens	0.13	2.166	0.75	5.357
Jurupa	2.75	45.834	6.00	42.857
Norco	0.50	8.333	2.70	19.286
Western	0.00	0.000	1.93	13.786
TOTAL	6.00 MGD	100.000%	14.00 MGD	100.000%

M. WHEREAS, the purpose of this Amendment No. 6 is to:

1. Change methodology for cost sharing obligations for each Party from estimated costs to actual costs, using the attached "WRCRWA SRF Loan Allocation & Final Billing (Refund) Schedule (the Schedule);
2. Set forth guidelines for applying the \$580,794 HGSD Grant to the Authority as a reduction to the principal outstanding on the SRF Loan with Home Gardens as the sole beneficiary;
3. Document that total Project cost exceeds \$10 per gallon per day of treatment capacity for the 6.0 MGD expansion, thereby providing that all Parties, Expanders and Non-Expander, shall share the cost of infrastructure for odor control, centrifuges, and the third digester preparation work;
4. Memorialize the 0.25 MGD expansion capacity transfer and associated cost transfer from Home Gardens to Corona, and memorialize all Parties' capacity ownership;
5. Affirm debt service reserve requirements, funding and payments; and
6. Establish methodology for cost sharing obligations for debt service and debt service reserves using the Schedule.

TERMS

1. Definitions:

1.1 Hard Costs, for purposes of this Agreement, are tangible assets needed by the Project to complete construction, including the purchase, installation, and construction of material and equipment together with other work involved in the actual physical construction of project components, including by example: grading, excavation, concrete structures, pipes, pumps, tanks, landscaping, road-building and the material and equipment purchased for the Project. Hard cost totals are itemized in the attached Schedule.

1.2 Soft Costs, for purpose of this Agreement, are defined as expenses that support a particular construction task or project and include by example: preliminary planning, final planning, environmental reports, pre-design engineering, design engineering, administration, construction management, legal, general engineering, inspection, utilities, and various fees and taxes. Total Soft Costs are shown in the attached Schedule.

2.1 Hard Cost Share for each Party shall be based on respective Party's ownership capacity against the total capacity for consideration, and the allocation of those actual Hard Costs to each Party are shown in the attached Schedule.

2.2 Soft Cost Share allocated to each Party shall be based on the Party's proportion of Hard Costs. Soft Cost Share allocation to each Party is in the attached Schedule.

2.3 Total Project Costs exceeded the SRF Loan amount by \$1,674,355.

3. With the concurrence of Home Gardens, the SRF Loan funded Project cost allocated to Home Gardens is reduced by the HGSD Grant amount of \$580,794.

4. Because the Total Project Cost has caused the Project unit cost to exceed \$10 per gallon, all Parties shall share in all costs related to odor control, centrifuge, and third digester preparation work as shown in the attached Schedule. Each Party's total share of odor control, centrifuge, and third digester preparation work shall include its hard cost share and soft cost share.

5. Methodology for sharing the lump sum requirement for debt service reserves shall be based on each Party's share of the SRF Loan principal for the Project. Debt service reserves shall be used only as mandated by the State, shall be funded from Corona's \$4 million buy-in and any advance deposits made by the responsible Parties and shall not be used to pay in full or reduce by any amount of the last debt service payment or payments made to the State unless approved by the Board of Directors in place during the 20th year of the SRF Loan repayment program.

6. The final billing or refund, as the case may be, to each Party is shown in the attached Schedule.

7. Each Party's treatment capacity ownership is shown in Recital L above.

8. To the extent of any conflict in terms and conditions, this Amendment No. 6 takes precedence over any such term and condition in the Project Agreement and its Amendments No. 1 through 5. IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 6 on the month, day and year shown below.

CITY OF CORONA

Dated: _____

By _____
Its General Manager

Dated: _____

By _____
Its City Clerk

CITY OF NORCO

Dated: _____

By _____
Its Mayor

Dated: _____

By _____
Its City Clerk

HOME GARDENS SANITARY DISTRICT

Dated: _____

By _____
Its President

Dated: _____

By _____
Its Secretary

JURUPA COMMUNITY SERVICES DISTRICT

Dated: _____

By _____
Its President

Dated: _____

By _____
Its Secretary

WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY

Dated: _____

By _____
Its President

Dated: _____

By _____
Its Secretary-Treasurer

Exhibit A

WRCRWA SRF Loan Allocation & Final Billing (Refund) Schedule Per Actual Project Cost & Reimbursement as of May 31, 2019 Using SRF's Definition of Hard Cost Vendors vs. Soft Cost Vendors	With 0.25 MGD Expansion Capacity Transfer from HGSD to Corona					
	Total	WMWD	JCSD	Norco	HGSD	Corona
Overall Project Cost						
Project Hard Cost						
Hard Cost allocated on 6MGD Basis	56,472,317	-	25,883,145	4,706,026	1,223,567	24,659,578
Hard Cost allocated on 14MGD Basis	3,224,369	444,502	1,381,873	621,843	172,734	603,418
Hard Cost allocated on 8MGD Basis	399,082	96,279	162,127	109,748	30,929	-
Total Project Hard Cost	60,095,768	540,781	27,427,145	5,437,617	1,427,230	25,262,996
Agency proportion per Project Hard Cost above	100.00%	0.90%	45.64%	9.05%	2.37%	42.04%
Total Project Soft Cost allocated per Agency proportion determined above	14,198,586	127,768	6,480,102	1,284,724	337,206	5,968,786
Total Project Cost per SRF's definition excluding Estimated Accrued Interest	74,294,355	668,549	33,907,247	6,722,341	1,764,436	31,231,782
Portion of Project Cost Reimbursed by SRF Loan						
Hard Cost reimbursed by SRF Loan						
Hard Cost allocated on 6MGD Basis	56,375,770	-	25,838,895	4,697,981	1,221,475	24,617,420
Hard Cost allocated on 14MGD Basis	3,074,029	423,777	1,317,441	592,848	164,680	575,283
Hard Cost allocated on 8MGD Basis	399,082	96,279	162,127	109,748	30,929	-
Total Hard Cost reimbursed by SRF Loan	59,848,882	520,055	27,318,463	5,400,577	1,417,084	25,192,702
Total Soft Cost reimbursed by SRF Loan allocated per Agency proportion determined above	12,771,118	114,923	5,828,619	1,155,563	303,305	5,368,709
Total Project Cost reimbursed by SRF Loan	72,620,000	634,978	33,147,082	6,556,140	1,720,389	30,561,411
HGSD Loan Forgiveness Grant (a non-cash grant treated by SWRCB as SRF loan principal reduction)	(580,794)				(580,794)	
Total Project Cost reimbursed by SRF Loan, net of HGSD Loan Forgiveness Grant	72,039,206	634,978	33,147,082	6,556,140	1,139,595	30,561,411
Agency proportion per Total Project Cost reimbursed by SRF Loan, net of HGSD Loan Forgiveness Grant	100.00%	0.88%	46.02%	9.10%	1.58%	42.42%
Accrued Interest converted to Principal at construction completion on 12/31/17 allocated per Agency proportion	2,071,412	18,228	953,264	188,499	32,728	878,693
Total SRF Loan Outstanding at Project Completion w/ Accrued Interest conversion to Principal	74,110,618	653,206	34,100,346	6,744,639	1,172,323	31,440,104
Agency proportion per Total SRF Loan Outstanding at Project Completion w/ Accrued Interest conversion to Pri	100.00%	0.88%	46.02%	9.10%	1.58%	42.42%
Portion of Project Cost in excess of the SRF Loan						
Hard Cost in excess of the SRF Loan						
Hard Cost allocated on 6MGD Basis	96,547	-	44,250	8,046	2,092	42,159
Hard Cost allocated on 14MGD Basis	150,340	20,725	64,432	28,994	8,054	28,135
Hard Cost allocated on 8MGD Basis	-	-	-	-	-	-
Total Hard Cost in excess of the SRF Loan	246,887	20,725	108,682	37,040	10,146	70,294
Total Soft Cost in excess of the SRF Loan allocated per Agency proportion determined above	1,427,468	12,845	651,483	129,161	33,901	600,077
Total Project Cost in excess of the SRF Loan	1,674,355	33,570	760,165	166,201	44,047	670,371
SRF Loan Debt Service Reserve Requirement net of \$4 M Corona Buy-in, allocated per Agency proportion deterr	486,536	4,282	223,904	44,275	7,687	206,389
1st Debt Service Payment made on December 31, 2018	4,486,536	39,482	2,064,704	408,275	70,887	1,903,189
Advance Contributions made by member agencies other than \$4M Corona Buy-In	(3,674,596)	(223,687)	(2,397,832)	(621,590)	(119,231)	(312,256)
Southern California Edison Saving by Design Program Incentive	(500,000)	(4,400)	(230,100)	(45,500)	(7,900)	(212,100)
Advance Contributions made by member agencies for the 1st annual SRF Loan debt service	(2,519,293)	-	(538,780)	(4,642)	(252,592)	(1,723,279)
Final Billing (Refund)	(46,462)	(150,752)	(117,939)	(52,981)	(257,103)	532,314