

EXHIBIT A – SCOPE OF WORK & INCORPORATED DOCUMENTS

1. The Recipient agrees to start construction no later than the date of September 19, 2016.
2. The Completion of Construction date is hereby established as ~~October 12, 2017~~ **March 11, 2018**.
3. The Recipient agrees to ensure that its final Request for Disbursement is received by the Division no later than six months after Completion of Construction date, unless prior approval has been granted by the Division. If the Recipient fails to do so, then the undisbursed balance of this Agreement will be deobligated.
4. Incorporated by reference into this Agreement are the following documents:
 - (a) the Final Plans & Specification, dated January 29, 2016 and January 2016 respectively; and Addendum No. 1 issued on June 24, 2016, which are the basis for the construction contract to be awarded by the Recipient to Koch & Koch, Inc.
 - (b) the Waste Discharge Requirement Order No. 5-01-210; and
 - (c) the Recipient's Authorized Representative Resolution No. SD12-07 dated April 24, 2012.
5. Scope of Work.
 - (a) Project Objectives

A Cease and Desist Order (CDO) was issued by the Central Valley Regional Water Quality Control Board (Regional Water Board) on August 13, 2009. The CDO requires the District to implement a number of steps culminating in the completion of improvements to alleviate any capacity issues at the current Wastewater Treatment Plant (WWTP) by September 1, 2014. During the development of the Penn Valley WWTP Expansion Feasibility Report it was determined that the best option would be to regionalize with the Lake Wildwood WWTP. Construction of the pipeline and abandonment of the current Penn Valley WWTP will satisfy the Regional Water Board's requirements set forth in the CDO.

(b) Project Description

The current Penn Valley WWTP serves 458 Equivalent Dwelling Units (EDUs) in the town of Penn Valley and the surrounding area. The current process includes a septic tank effluent pump (STEP) system. The septic tanks provide the primary treatment and then wastewater from each tank is pumped into a pressurized sewer system to a lift station. From the lift station the influent is pumped to the WWTP which consists of two lined aerated lagoons and a storage reservoir. The treated effluent is used onsite for spray irrigation of approximately 33 acres of pasture land used for cattle grazing.

The proposed Project consists of collection system improvements, a lift station, and a pipeline that will convey pressurized influent to the Lake Wildwood WWTP. The collection system improvements will reduce the amount of infiltration and inflow into the system. The best identified location for the lift station is at the Penn Valley Fire Department near the corner of Penn Valley Drive and Spenceville Road. The pipeline will continue along Penn Valley Drive until it intersects with Pleasant Valley Drive and Highway 20. The Project will use "no-dig" construction techniques to cross Highway 20 without interrupting traffic, and the pipeline will continue along Pleasant Valley Drive until it reaches the Lake Wildwood WWTP. The overall pipeline length will be 4.5

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miles. Because of the STEP system in Penn Valley, odor control units will be installed at the lift station and the junction manhole where Penn Valley influent mixes with Lake Wildwood influent.

EXHIBIT B – PROJECT FINANCING AMOUNT

1. Estimated Reasonable Cost. The estimated reasonable cost of the total Project, including associated planning and design costs is five million dollars and no cents (\$5,000,000.00).
2. Project Funding. Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds in the amount of up to six million dollars and no cents (\$6,000,000.00).
3. Small Community Grant. Contingent on the Recipient's performance of its obligations under this Agreement, the State Water Board agrees to make a grant of six million dollars and no cents (\$6,000,000.00) from the fund established in section 13477.6 of the Water Code/Residual Bond Funds.
4. The term of this agreement is from April 14, 2014 to ~~October 12, 2047~~ **March 11, 2048**.
5. Budget costs are contained in the Project Cost Table, which is part of Exhibit A-FBA.