

DRAFT
Revised June 11, 2018

EXHIBIT 17-A

Recording Requested By: Monterey Peninsula Water Management District

**When Recorded, mail to: MPWMD
P.O. Box 85
Monterey, CA 93942-0085**

CARMEL RIVER BANK STABILIZATION AT

RANCHO SAN CARLOS ROAD

RIGHT-OF-ENTRY AND PROJECT PERMISSION

The Owner of Assessor's Parcel Numbers 157-121-027 and 157-121-028 (hereinafter referred to as "Property") desires to restore and protect streambanks located on the Property adjacent to the Carmel River. The Monterey Peninsula Water Management District (hereinafter referred to as "District") is the public agency charged with the responsibility for the integrated management of the ground and surface water resources affecting Carmel Valley and the Monterey Peninsula. The District desires to implement a bank stabilization project (hereinafter referred to as "Project") to rebuild streambanks, reduce the potential for streambank erosion, restore channel stability, and restore riparian habitat in the channel of the Carmel River located on the Property.

The work to be performed shall be in accordance with the plans and specifications prepared by the District for this Project. The work shall involve: (1) selective removal of existing vegetation and grading for temporary access for equipment access into the channel; (2) grading of streambanks and relocation of the low flow channel; (3) placement of rock riprap and a log crib wall along portions of the streambank; (4) revegetation of the banks, terrace area and areas disturbed by construction activities; (5) installation of an irrigation system; (6) monitoring and maintenance of the project area; (7) installation and removal of a temporary access ramp into the river for equipment and materials; (8) temporary storage of equipment and materials during construction.

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The District shall be responsible for securing all applicable permits and agreements. All works shall be performed between the hours of 7 a.m. and 6 p.m., Monday through Friday. This agreement, however, is not a promise or guarantee by the District to perform the works described herein. The District Engineer may declare an emergency situation during which the District may, with reasonable notice, enter upon the Property to install or maintain the described works outside of normal business hours. Such emergencies include, but are not limited to, damage from erosion, flooding, vandalism, theft, or accidents.

Heavy construction equipment, including, but not limited to, backhoes, loaders, bulldozers, excavators, and 10-or 15-cubic yard hauling trucks, may be used to install and maintain project works. The District shall notify the Owner a minimum of 48 hours in advance of the start of the Project. Access into the riverbed for equipment will be from one or both of the two following locations: 1) over a temporary ramp to be constructed on the south side of the river near Rancho San Carlos Road; or 2) over a permanent ramp located on APN 015-251-030 (California American Water Company).

The District agrees to coordinate work at the site with the Owner such that the District's activities do not interfere with special events held on or near Owner's Property (e.g., during Monterey Car Week).

The District shall indemnify, defend, and hold harmless the Owner from any costs, actions, claims, liabilities, losses, or expenses which may occur due to any injury caused by the District and/or its agents, contractors, inspectors, or employees during the installation of the project works or as a result of maintenance performed by the District and/or its agents, contractors, inspectors, or employees. The District shall repair damage to the Property caused by the District during construction of the work by the District and/or its agents. This provision, however, shall not be construed to provide a guarantee or assurance that the project shall provide any flood or erosion protection to this or any other property. In all circumstances, the effect of this offer to indemnify, defend, and hold harmless under this paragraph is limited, and under no circumstances shall the aggregate costs paid by the District pursuant to this indemnity provision exceed the sum of \$ [REDACTED]. This provision shall not create a presumption or inference that any future damage or loss has been caused by the District and/or its agents, contractors, inspectors, or employees during the installation or maintenance of the project, or otherwise.

Maintenance activities may include, but are not limited to, repair of works installed with the Project, vegetation clearing, and project monitoring. Repair of installed works may require the use of mechanized equipment within the riverbed and on the riverbanks. Maintenance of irrigation systems may require the use of vehicles in the riverbed and on the riverbanks. A brush chipper may be used within the riverbed or on the bank to chip vegetation.

The erosion protection works to be installed as part of the Project are designed to reduce the risk of erosion from flows up to the 10% chance flood (a flood that occurs once in ten years, on average). The 10% chance flood for this project is defined as the 10% chance flood at the U.S. Geological Survey gaging station located at the Via Mallorca Bridge, referred to as the "Near Carmel" gage. The Project is not intended to provide flood protection and the Project does not ensure that the Property described will be immune from future erosion damage.

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Owner shall allow the District to connect a temporary irrigation system to a well or mainline located on the south side of the river on the Property that would allow the District to irrigate the Project for up to five years after initial plant installation. The District shall install a meter and connect a new irrigation system to allow irrigation of new native plantings twice a week for no more than two hours per cycle. It is anticipated that the District will use no more than 0.75 ac-ft per year for the first three years and no more than 0.50 ac-ft per year for year four and five. The District will be responsible for running and maintaining the system in coordination with Owner.

This agreement shall commence on the date of signature by the Owner and shall terminate after 10 years. Initial construction activity shall be completed no later than December 31, 2019. Thereafter, this agreement shall allow the District to maintain and operate an irrigation system to benefit the project until this agreement expires. Maintenance activities conducted after December 31, 2019 involving heavy equipment shall require written authorization by the Owner.

Owner, by this agreement, gives permission for the District and its contractors to enter the Property for the purposes of completing and maintaining the works described herein.

Signed: _____

Date: _____

Larry Hampson, District Engineer
Monterey Peninsula Water Management District

Signed: _____

Date: _____

Owner



Denise Duffy & Associates, Inc.

PLANNING AND ENVIRONMENTAL CONSULTING

Environmental Services

Monterey Peninsula Water Management District Aquifer Storage and Recovery CEQA Addendum

June 5, 2018

Background/Project Understanding

The Monterey Peninsula Water Management District (MPWMD or District) has requested that Denise Duffy & Associates (DD&A) prepare a CEQA addendum for the revision to a component of the District's Aquifer Storage and Recovery Project (ASR Project).

The proposed ASR Project involves the expansion of the existing Santa Margarita backflush pit, to accommodate the increased backflush water from California-American Water's (Cal-Am) desalination project. The Santa Margarita backflush pit is being expanded in lieu of constructing a separate 240,000-gallon backflush percolation pit at Seaside Middle School and Fitch Park sites¹. To accommodate the increased backflush water on a schedule that is operationally feasible, the Santa Margarita backflush pit would be expanded to increase backflush capacity to approximately 750,000-gallon capacity. New and revised facilities are identified below based upon details from the District and the basis of design information:

- Backflush basin expansion as noted above;
- Second driveway on General Jim Moore Boulevard;
- New front wall and two new sound walls;
- Treatment manifold may be located outdoors beside the chemical/electrical building (2006 EIR stated all equipment would be located indoors).

The above specifics are known at this time. The Addendum may evaluate additional facilities not yet identified with a basis of design, which may include:

- Updated chemical facility capacities and operating conditions
- An additional building and/or retaining walls
- Chemical delivery facilities
- Other site finishes

¹ Aquifer Storage and Recovery Project Draft Environmental Impact Report/Environmental Assessment (EIR/EA) dated March 2006 identifies a 240,000-gallon backflush percolation pit, located in the southwest corner of the Santa Margarita site. The Addendum to the MPWMD Aquifer Storage and Recovery Project Phase 1 EIR/EA, April 2012, identified a backflush facility at Seaside Middle School: The backflush pit was never built at the Middle School site. Backflush water is conveyed from the Middle School site to the existing Santa Margarita backflush pit. The proposed project would allow the backflush pit that was proposed at the Middle School to be built at the Santa Margarita site via an expansion of the existing backflush pit. The existing Santa Margarita backflush pit needs to be substantially expanded to accommodate the additional backflush water from the Middle School and Cal-Am's Fitch Park wells.

Previous environmental documentation

Pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 *et seq.* (“CEQA”) and the State CEQA Guidelines, Title 14, California Code of Regulations, Sections 15000 *et seq.* (“CEQA Guidelines”), the District has considered the following documents:

- Final Environmental Impact Report (FEIR), certified by the District in August 2006 for the Seaside Groundwater Basin (“SGB”) Aquifer Storage and Recovery (“ASR”) Project (or “ASR Project”);
- Addendum 1 to the FEIR for the ASR Project (collectively referred to herein as the “ASR EIR/EA and Addendum 1”), as amended by the District in April 2012 to address full implementation of Phase 2 ASR;
- Hilby Avenue Pump Station Addendum to the ASR EIR/EA and the Pure Water Monterey/Groundwater Replenishment Project (“PWM Project” or “PWM/GWR”) EIR, June 2016, (“the Pump Station Addendum”).
- Additional documentation for background information includes the Final EIR for the PWM/GWR EIR certified October 2015 and the Final Monterey Peninsula Water Supply Project EIR/EIS, April 2018.

Based on a review of the preliminary plans, an addendum would be appropriate because the proposed project is not expected to create new significant environmental impacts or substantially increase the severity of previously identified significant impacts per CEQA Guidelines sections 15162 and 15164. The following presents DD&A’s proposed scope of work for preparation of the Addendum.

Scope of Services

The following provides a scope of services and budget based on the preliminary project information provided by the District (May 2018) and information from conversations with the District.

Task 1. Project Initiation/Site Visit/Initial Checklist

DD&A will initiate the Addendum process by completing the following tasks necessary for ultimate preparation of a thorough and defensible addendum:

- DD&A will communicate with District staff to confirm project details and schedule needs, and to gather and review available information;
- DD&A staff will conduct one site visit and photograph existing conditions;
- DD&A will conduct an assessment of the existing relevant background reports. DD&A will collect data required to supplement the existing analysis consistent with CEQA;
- DD&A will review and edit the MPWMD provided project description for the Addendum; and

- DD&A will conduct initial evaluation by reviewing applicable CEQA regulations, existing CEQA documentation prepared for the project, and prepare an Initial Study checklist.

The Addendum will concisely describe and graphically depict the relevant site-specific features of the project.

Task 2. Prepare Administrative Draft Addendum

An Administrative Draft Addendum will be prepared in compliance with Section 15164 of the CEQA Guidelines to clearly and concisely describe the changes due to the proposed project. The Addendum will include a description of the changes to the project and itemize revisions to the projects compared to how they are described in the base environmental documentation. The administrative draft will be submitted in electronic form (in MS Word and PDF via email) to the District for review and comment. The Addendum will clearly and concisely describe the reasons for the Addendum determination. The following sections and analysis in the addendum will document the preliminary determination per CEQA Guidelines sections 15162 and 15164².

Sections of the Addendum may include the following:

- Introduction
 - Addendum Overview
 - Background on the Project
 - Addendum Requirements
 - Review of existing CEQA documentation
- Description of the Project
 - Location
 - Description of construction and operational characteristics
 - Comparison of Project to Facilities Evaluated in the existing CEQA documentation
- Impacts and Mitigation of the Project* (See Topical Analysis below)
- Comparison to the Conditions Listed in CEQA Guidelines Related to Addendum Preparation
 - Changes to the Project Considered Not Substantial
 - No New Information Leading to Environmental Effects
 - No Change in Project Circumstances
- Conclusions
- References/Acronyms/Appendices

*Topical Analysis: The addendum will include the following brief analyses, at a minimum:

Air Quality/Greenhouse Gasses. The Addendum will evaluate any potential changes to the previous impact analysis for air quality and greenhouse gasses based on the proposed increase in construction area. The environmental documentation previously prepared for the project concluded that project and cumulative air quality impacts are considered to be less-than-significant.

² Note: As noted above, a preliminary determination has been made that use of an addendum would be appropriate under CEQA and the proposed project would not create new significant environmental impacts or substantially increase the severity of previously identified significant impacts.

Biological Resources. The Addendum will evaluate whether the proposed revised construction area would result in any additional biological impacts. DD&A will review the existing biological reports for the Santa Margarita backflush pit and provide updated technical documentation related to biological resources as needed for the site. Based upon a preliminary review of relevant project documentation, no new significant impacts or a worsening of severity of significant impact is anticipated.

Cultural Resources. The Addendum will also evaluate potential impacts to cultural resources. More specifically, the Addendum will describe how the impacts on cultural resources will not be increased in severity when compared to the impacts identified in the previous environmental documentation.

Noise. The Addendum will describe the noise impacts on sensitive receptors when compared to the impacts identified in the previous environmental documentation and review applicable mitigation. Based upon a preliminary review of relevant project documentation, no new significant impacts or a worsening of severity of significant impact is anticipated.

Land Use and Planning. The Addendum will describe the existing land uses and project area compared to the base environmental documentation and address potential land use effects.

Traffic. The Addendum will evaluate any potential changes to construction traffic based on the proposed revised construction area. The environmental documentation previously prepared for the project concluded that project and cumulative traffic impacts are considered to be less-than-significant. It is assumed that only minor traffic modifications would be needed for the proposed project.

Topic by Topic Discussion. Other topics, including geotechnical, geology, hazards/hazardous materials, hydrology and water quality, population/housing, public services and recreation, and utilities and service systems will be briefly addressed to describe how the revised project will not create any new impacts and will not increase the severity of those impacts previously identified. No assessment of agricultural resources is needed.

Task 3. Prepare Draft Addendum

Based upon review comments from District staff, DD&A will prepare a Draft Addendum for the MPWMD Board packet. This scope of work assumes DD&A will receive two sets of comments from MPWMD. The Addendum will be prepared pursuant to the California CEQA Guidelines Section 15164, to describe the modifications to the Project and to evaluate whether the modifications present any new significant impacts not identified in the previously certified documentation or any increase in severity in any previously identified significant impacts.

Task 4. Prepare Final Addendum

Based upon comments on the Draft Addendum, DD&A will revise a Final Addendum to accompany the staff report.

Task 5. Prepare Draft and Final Resolution, CEQA Findings, and Mitigation Monitoring and Reporting Program

In preparation for the MPWMD Board action on the Addendum and project approval, DD&A will prepare a draft Board Resolution, including CEQA-required findings related to the conclusions of the addendum. Changes will be recommended based upon project description changes. Revisions to mitigation will be recommended, if necessary. Based upon comments on the draft MMRP and resolution, DD&A will revise a final resolution to accompany the staff report.

Task 6. Prepare Notices

After project approval, DD&A will prepare a draft and final notices, as needed, related to the project approval. DD&A will file notices with proper documentation of previous fee payment to the Monterey County Clerk, Office of Planning and Research (OPR), or others, if requested.³

Task 7. Meetings and Conference Calls

This task includes attendance/involvement in meetings and conference calls with the involved agencies and MPWMD. The budget assumes attendance by the Project Manager at up to one public hearing. In addition, DD&A's Project Manager will coordinate meeting and conference call scheduling and prepare and distribute meeting agendas and summaries of key discussion points, if requested.

Task 8. Project Management

This task consists of project management and communication responsibilities, including correspondence, schedule/budget tracking, project oversight, and document production. This task also includes coordination with MPWMD and others during preparation of the Addendum.

Schedule

Assuming this no changes to the proposed project described above, work performed under this scope of services will be completed within thirty (30) days of authorization by the District.

³ Filing a Notice of Determination is optional; thus DD&A would do this task only after confirmation by the MPWMD.

Budget

DENISE DUFFY & ASSOCIATES, INC.
Budget Estimate for the
CEQA Addendum for the ASR Backflush Project

Task #	Task Description	Denise Duffy Principal	Diana Staines, Assistant Project Manager	Associate Planner/Scientist	Graphics/GIS	Administrative	Total
	Rate	\$223	\$116	\$105	\$100	\$61	
1	Project Initiation/Site Visit	1	4	4		2	\$1,229
2	Prepare Administrative Draft Addendum	2	26	20	4	3	\$6,145
3	Prepare Draft Addendum	1	20	12	2	2	\$4,125
4	Prepare Final Addendum	1	4	4	3	1	\$1,468
5	Prepare Draft and Final Resolution/CEQA Findings/MMRP	2	12	2	0	1	\$2,109
6	Prepare Notices	0	1	3	0	2	\$553
7	Meetings and Conference Calls	2	4	2	0	0	\$1,120
8	Project Management	2	3	0	0	2	\$916
<i>Total DD&A hours by person</i>		11	74	47	9	13	
<i>Expenses*</i>							\$200
TOTAL		\$ 2,453	\$8,584	\$4,935	\$900	\$793	\$17,865
*Please note that all deliverables will be provided electronically.						Total Budget	\$17,865

NOTES:

- 1. Approach.** This budget estimate is based on the current understanding of approach per consultation with District.
- 2. Responding to agency comments.** This budget estimate assumes an average number and length of comments from the reviewers with no new technical analysis. DD&A reserves the right to review the comments and adjust the estimated budget to accommodate responding to excessive comments. Specifically, responding to more than an average number of comments revising or conducting new analysis and/or excessively complex comments may require an amendment to the contract.
- 3. Direct Costs.** Estimate does not include any filing fee for Notice of Determination or photocopying costs. Unless otherwise noted or requested, DD&A assumes that all deliverables would be submitted electronically (in PDF format, or if needed, Microsoft Word) only.
- 4. New technical studies.** This task assumes assessment of the following issue areas based upon available information and assumes no new technical studies are needed: aesthetics/visual resources (visual simulations), air quality, biological resources, coastal act consistency, cultural resources, energy, geotechnical and geologic hazards, hazardous materials, hydrology and water quality, noise, traffic and transportation, and utilities/water supply.

Schaaf & Wheeler
CONSULTING CIVIL ENGINEERS

870 Market Street, Suite 1278
San Francisco, CA 94102-2906
415-433-4848
FAX 415-433-1029

June 8, 2018

Monterey Peninsula Water Management District
ATTN: Maureen Hamilton
5 Harris Court, Bldg G
Monterey, CA 93940

Dear Ms. Hamilton:

Re: Aquifer Storage and Recovery Site Expansion, Construction Storm Water Pollution Prevention Plan Services

Schaaf & Wheeler is pleased to submit this proposal to provide professional services for the development of a Storm Water Pollution Prevention Plan (SWPPP) for the proposed aquifer storage and recovery site expansion at Seaside, California. The project includes expansion of the existing percolation basin, adding an equipment building and adding on-site pipelines. The work will extend through at least one rain season.

Our scope of services will include one site visit for preliminary site walk, development of the SWPPP document, and upload of all project related data to the Water Boards Storm Water Multiple Application and Reports Tracking System (SMARTS) database to obtain and maintain coverage under the General Permit for Discharges of Storm Water Associated with Construction Activity (Construction General Permit Order 2009-0009-DWQ, as amended by 2012-0006-DWQ).

It is the owner/contractor's responsibility to ensure that all inspections related to the SWPPP document are performed and Best Management Practices (BMPs) are installed and maintained as indicated in the SWPPP. The owner/contractor shall provide inspection records to Schaaf and Wheeler for upload to the SMARTS after the inspection is performed.

Professional charges will be billed on a time and materials basis. The anticipated total not-to-exceed fee is \$14,000. Any additional services in excess of the proposed budget would require your approval. If you have any questions, or require additional information, please contact Andy Sterbenz at (831) 883-4848, or asterbenz@swsv.com.

Sincerely,
Schaaf & Wheeler

A handwritten signature in blue ink, appearing to be 'D. Sch' followed by a stylized flourish.

Daniel J. Schaaf, PE
Vice President, License C-57617

Scope of Services

Schaaf & Wheeler proposes the following scope of services for SWPPP development. Work will be completed on a time-and-materials basis for a not-to-exceed fee of **\$14,000**.

Task 1: Review Project Data and Site Plans

Schaaf & Wheeler will perform a thorough review of the project data and plans to determine the extent of soil disturbance and other potential impacts. These data include, but are not limited to, the geotechnical/soils report, grading plan, drainage plan, and erosion control plan. It is the owner's responsibility to supply Schaaf and Wheeler with all the available project data.

Task 2: Site Visit

Schaaf & Wheeler personnel will conduct a field visit to identify drainage patterns, location of existing drainage structures, and location of proposed improvements. It is understood that there are no known outfalls and receiving water bodies, and runoff generated during construction activities percolates into the sand present at the site. The site plans and site visit will be used in conjunction with the drainage reports (if available) to identify the location of BMPs to be used at the site.

An internal QA/QC review shall be performed by a senior level engineer to validate the findings and selection of BMPs that are most effective to mitigate the impacts of storms that may occur during construction of the project.

Task 3: SWPPP Development

Schaaf & Wheeler will prepare a draft and final SWPPP for the project site. The SWPPP will be prepared after careful review of all available data. A draft SWPPP will be provided to the client for initial review and comments, pending which the final document will be prepared.

Task 4: SMARTS Database Management

Schaaf & Wheeler will upload project data to the Water Boards SMARTS database. This will include processing project information and Notices of Intent (NOIs), reviewing, updating, terminating Notices of NOIs, annual reports, and maintaining the billing status of each discharger. It is assumed that the contractor/owner will perform the required inspections and transmit all data to Schaaf and Wheeler.

Items not Included in the Scope

The proposed scope of work does not include performing inspections that are required under the Construction General Permit. These inspection include, at a minimum, weekly BMP inspections, pre-storm inspections (within 48 hours before), post storm (within 48 hours after), during storms (every 24 hours), and quarterly inspection for non-stormwater flows. In addition, sampling is required for non-visible pollutants if triggered for all Risk Levels and discharge monitoring is required for traditional Risk Level 2 and 3 projects at least 3 times a day when there is a discharge. It is anticipated that there will be no discharge monitoring requirements because the site does not discharge into the receiving water body. Detailed evaluation of monitoring and sampling requirements can only be made once all project data is received.

Schedule

Below is an approximation of the duration of each task.

- Task 1 – 1 week
- Task 2 – 1 week
- Task 3 – 2 weeks
- Task 4 – Ongoing through the duration of the project

Pure Water Monterey Well Field Fee Proposal December 2016 Schaaf & Wheeler SWPPP Services		Senior Project Manager	Senior Engineer	Associate Engineer	Schaaf & Wheeler Subtotal
	Hourly Rate	\$220	\$205	\$185	
Task 1	Review Project Data and Site Plans	2	2	6	\$ 1,960
Task 2	Site Visit	-	-	2	\$ 370
Task 3	SWPPP Development	2	4	36	\$ 7,920
Task 4	SMARTS Database Management	-	-	20	\$ 3,700
	ROUNDED TOTAL	4	6	64	\$ 14,000

NOV 28 2017

MPWMD

AMENDMENT 2
to
MRWPCA-MPWMD GROUNDWATER REPLENISHMENT PROJECT
COST SHARING AGREEMENT

This Amendment is entered into as of October __, 2017 (**Effective Date**), by and between the Monterey Regional Water Pollution Control Agency, a joint powers authority (“MRWPCA”) and the Monterey Peninsula Water Management District, a California special act district (“MPWMD”), collectively the “Parties”, based upon the following facts, intentions and understandings of the Parties.

Section II. A. 1 is amended to read as follows:

1.(a) Planning and Development Costs Defined

This Agreement is by its terms limited to sharing of costs of planning and development of the GWR Project, incurred beginning April 1, 2012 and incurred through the period ending February 28, 2017. Such costs are also referred to as “Pre-Construction Costs.”

Examples of those costs include:

1. CEQA
2. Feasibility Review
3. Facilities Planning
4. Monitoring Well Construction and Testing
5. Pilot Treatment and Pilot Injection
6. Public Outreach
7. Line of Credit Issuance Costs, Interests, and Related Fees
8. Design and Engineering
9. Legal Expenses Related to Activities Above

1.(b) Financing of GWR Project Planning and Development Costs

The Parties estimate that the costs described in Section 1.(a), immediately above, will total \$6,957,352 as shown in the budget in Appendix A. Beginning FY2013-14, MPWMD shall pay seventy-five percent (75%) of such costs, and MRWPCA shall pay twenty-five percent (25%) of such costs. Seventy-five percent (75%) of full employee costs (salary and benefits) incurred by MRWPCA for up to two (2) of its employees' allocable time committed to tasks falling within the components described in Section 1.(a), immediately above, shall be paid (reimbursed) by MPWMD. Prior to FY2013-14, such costs are shared fifty percent (50%) by each Party. Other employee costs incurred by either Party and allocable to the GWR Project will be reimbursed from the proceeds of

the permanent financing pursuant to any reimbursement resolution adopted by MPWMD or MRWPCA.

1.(c) Reimbursement of Planning and Development Costs

i. Initial Reimbursement: The parties agree that the Agency will request an initial reimbursement from the State Revolving Fund (SRF) Loan in the amount of \$8,219,742 (Initial Reimbursement.) It is expected that this reimbursement will occur in more than one payment by the State. The amounts received from all payments of this Initial Reimbursement will be divided equally between the MRWPCA and MPWMD.

ii. Periodic Subsequent Reimbursement: Periodic subsequent reimbursements of Planning and Development Costs shall be divided between MRWPCA and MPWMD in a manner to achieve proportional reimbursement by each party when all Planning and Development Costs have been fully reimbursed, pursuant to the formula described in Appendix B hereto.

iii. If the actual amount received from the State is reduced by costs that are disallowed by the SRF Loan, the parties agree to equally share in any reimbursement reductions or request additional disbursements up to the amount listed within this section.

iv. Total reimbursements of Planning and Development Costs received by the Parties shall not exceed the following (*NOTE: Subject to final reconciliation by the parties*):

MRWPCA: \$6,533,333

MPWMD: \$12,713,805

MRWPCA may not seek additional reimbursement of its pre-construction costs incurred outside of this Agreement unless and until the District is fully reimbursed the amount shown above.

1.(d) Unreimbursed Construction Period Costs Defined

From March 1, 2017 through June 30, 2019, there may occur project related costs that are not allowed to be capitalized to the project and paid or reimbursed by State Revolving Fund Loans. Examples of those costs include, among others:

1. Public Outreach
2. Geochemical Water Quality Modeling
3. Groundwater Basin Modeling
4. Facility Expansion Design and Engineering
5. Regulatory Proceedings

1.(e) Financing of GWR Unreimbursed Construction Period Costs

MPWMD shall pay seventy-five percent (75%) of such costs, and MRWPCA shall pay twenty-five percent (25%) of such costs.

Section II. A. 2 is amended to read as follows:

2. (This section deleted by Amendment 2)

Section II. F. is amended to read as follows:

14. Term

This Agreement shall remain in force and effect until June 30, 2019. The term of this Agreement may be extended with the mutual agreement of the Parties.

WHEREFORE, this Amendment 2 to the Cost Sharing Agreement was executed by the parties on the date first above written.

MRWPCA

MONTEREY REGIONAL WATER POLLUTION
CONTROL AGENCY,

By: _____

Rudy Fischer
Rudy Fischer, Board Chair
MRWPCA Board of Directors

MPWMD

MONTEREY PENINSULA WATER MANAGEMENT
DISTRICT,

By: _____

Robert S. Brower
Robert S. Brower, Chair
MPWMD Board of Directors

APPENDIX B

Calculation of Subsequent Reimbursements

Pursuant to Section 1.(c)ii of the Agreement, Subsequent Reimbursements will be calculated according to the formula (Formula) below.

Definitions:

“PSR” = “Periodic Subsequent Reimbursement”: Total amount, at any time subsequent to the Initial Reimbursement, of Planning and Development Costs reimbursed with SRF funds, subject to a single, periodic subsequent reimbursement request. There may be one, two, or several Periodic Subsequent Reimbursements.

“PSR_{PCA}” = “Periodic Subsequent MRWPCA Reimbursement”: The amount of any Periodic Subsequent Reimbursement allocable to MRWPCA pursuant to the Formula below.

“PSR_{WMD}” = “Periodic Subsequent MPWMD Reimbursement”: The amount of any Periodic Subsequent Reimbursement allocable to MPWMD pursuant to the Formula below.

“RTD_{PCA}” = “MRWPCA Reimbursements To Date”: At the time of any Periodic Subsequent Reimbursement received, the total of all reimbursements previously received to date by MRWPCA, including the portion of the Initial Reimbursement received by MRWPCA pursuant to Section 1.(c)i of the Agreement.

“RTD_{WMD}” = “MPWMD Reimbursements To Date”: At the time of any Periodic Subsequent Reimbursement received, the total of all reimbursements previously received to date by MPWMD, including the portion of the Initial Reimbursement received by MPWMD pursuant to Section 1.(c)i of the Agreement.

“TOT_{PCA}” = “Total MRWPCA Reimbursement”: The amount shown for MRWPCA pursuant to Section 1.(c)iv of the Agreement, equal to \$6,533,333

“TOT_{WMD}” = “Total MPWMD Reimbursement”: The amount shown for MPWMD pursuant to Section 1.(c)iv of the Agreement equal to \$12,713,805

Formula:

$$PSR_{PCA} = \frac{(TOT_{PCA} - RTD_{PCA})}{(TOT_{PCA} + TOT_{WMD}) - (RTD_{PCA} + RTD_{WMD})} \times PSR$$

$$PSR_{WMD} = \frac{(TOT_{WMD} - RTD_{WMD})}{(TOT_{PCA} + TOT_{WMD}) - (RTD_{PCA} + RTD_{WMD})} \times PSR$$

Example 1: One future remaining periodic reimbursement request of \$11,047,139

$$PSR_{PCA} = \frac{(\$6,533,333 - \$4,100,000)}{(\$19,247,138) - (\$8,200,000)} \times \$11,047,139 = \$2,433,333$$

$$PSR_{WMD} = \frac{(\$12,713,805 - \$4,100,000)}{(\$19,247,138) - (\$8,200,000)} \times \$11,047,139 = \$8,613,805$$

Example 2: Two future remaining periodic reimbursement requests of \$6,000,000 and then \$5,047,139

First, the \$6,000,000 reimbursement request:

$$PSR_{PCA} = \frac{(\$6,533,333 - \$4,100,000)}{(\$19,247,138) - (\$8,200,000)} \times \$6,000,000 = \$1,321,609$$

$$PSR_{WMD} = \frac{(\$12,713,805 - \$4,100,000)}{(\$19,247,138) - (\$8,200,000)} \times \$6,000,000 = \$4,678,391$$

Then later, the \$5,047,139 reimbursement request:

$$PSR_{PCA} = \frac{(\$6,533,333 - \$5,421,609)}{(\$19,247,138) - (\$14,200,000)} \times \$5,047,139 = \$1,111,724$$

$$\text{PSR}_{\text{WMD}} = \frac{(\$12,713,805 - \$8,778,391)}{(\$19,247,138) - (\$14,200,000)} \times \$5,047,139 = \$3,935,414$$

In this example, after the two periodic subsequent reimbursements, the totals for each entity are:

MRWPCA:	\$6,533,333	33.94%
MPWMD:	\$12,713,805	66.06%

If the second periodic subsequent reimbursement is never executed, the totals for each entity are:

MRWPCA:	\$5,421,609	38.18%
MPWMD:	\$8,778,391	61.82%

If no periodic subsequent reimbursements are ever executed, the totals for each entity are:

MRWPCA:	\$4,100,000	50.00%
MPWMD:	\$4,100,000	50.00%

Hence, the District takes the primary risk of the failure to in the future receive reimbursement that is in proportion to its relative investment compared to MOW.