

INTERIM AGREEMENT FOR PAYMENT OF CAPITAL COSTS OF CLEAN WATER PROGRAM PROJECTS

This Interim Agreement for Payment of Capital Costs of Clean Water Program Projects (this “Interim Agreement”) is entered into by and between the City of San Mateo (the “City”) and the Town of Hillsborough (“Hillsborough”) and is based on the following:

- A. The City and Hillsborough are parties to a Sanitary Sewage Agreement entered into as of July 18, 1989 (the “1989 Agreement”). The County of San Mateo (the “County”) and the Crystal Springs County Sanitation District (the “District”) are also parties to the 1989 Agreement. The 1989 Agreement has been the subject of three prior amendments. The 1989 Agreement governs the operation of certain shared facilities for the transportation and treatment of sanitary sewage, allocation of costs for maintenance and improvement of the shared facilities, and allocation of treatment costs.
- B. The wastewater generated by the City, Hillsborough, the County, and the District is subject to regulation under a National Pollution Discharge Elimination System permit (the “NPDES permit”).
- C. The City, Hillsborough, the County, and the District are subject to Cease and Desist Order R2-2009-0020, which required certain improvements to the shared facilities.
- D. The City has begun construction on a comprehensive suite of capital improvements referred to as the “Clean Water Program,” including capital improvements to the sewage treatment plant owned by the City and Foster City and operated by the City (the “Wastewater Treatment Plant” or “WWTP”).
- E. The City, Hillsborough, the County, and the District have been negotiating a fourth amendment to the 1989 Agreement to allocate capital costs for the Clean Water Program and provide for the installation of a new meter along Polhemus Road. The fourth amendment has not been finalized. The City, County, and District continue to discuss terms unrelated to Hillsborough which need to be resolved in order to finalize the fourth amendment.
- F. Hillsborough acknowledges its responsibility to pay for its share of the capital costs of the Clean Water Program and is willing to make payments toward such capital costs on an interim basis until the fourth amendment is finalized. Hillsborough’s Percentage Share consists of Project Costs incurred by City beginning in October 2014 through the completion of construction of Clean Water Program Projects.
- G. The City desires to receive the interim payment of capital costs from Hillsborough and cooperate on other procedures between the two agencies until the fourth amendment can be finalized.

Now, therefore, for good and valuable consideration, the City and Hillsborough agree as follows:

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AGREEMENT

Section 1. Definitions

The following definitions apply to the terms used in this Amendment.

“Clean Water Program” means the suite of capital improvement projects to the City’s sewer collection system and WWTP that are necessary for capacity assurance and reliability, and to meet regulatory compliance requirements contained in the Cease and Desist Order and NPDES permits.

“Clean Water Program Projects” means those projects listed in Exhibit A which provide a benefit to Hillsborough and for which Hillsborough and others will be responsible for a share of capital costs.

“District Meter” means the existing meter located along Polhemus Road owned and maintained by the District which currently measures flows from the Polhemus Trunk Sewer from the City/County/District and into the Crystal Springs/El Cerrito Trunk Sewer.

“Effective Date” means the date on which this Amendment is last signed by the parties.

“El Cerrito Meter” means the flow meter installed at El Cerrito Avenue near Gramercy Drive, which measures sewage flows contributed by the City/Town/District/County.

“Maximum Allowable Flow” means the maximum volume of wastewater, expressed in millions of gallons per day (MGD), that Hillsborough is authorized to convey through the El Cerrito Meter and the Yew/Borel Trunk Sewer. Based on a Technical Memorandum prepared by Jacobs as revised October 12, 2020, the Maximum Allowable Flows for Hillsborough is 7.1 MGD (Including 0.3 MGD for the Yew/Borel Trunk Sewer) for purposes of this Interim Agreement.

“Metered Flows” refers to the calculation of each party’s flows through various meters, as set forth in Section 5 (Calculation of Flows) of the 1989 Agreement.

“New Polhemus Meter” means the meter to be installed by Hillsborough at or near Polhemus Road to measure flows coming into the Crystal Springs/El Cerrito Trunk Sewer from the Polhemus Trunk Sewer.

“Percentage Share” means Hillsborough’s share of Project Costs and is calculated by dividing Hillsborough’s Maximum Allowable Flow by the maximum capacity at which a collection system or treatment facility is designed to operate. The Percentage Share for various Project Costs is set forth in Exhibit A, and is subject to adjustment as set forth in this Interim

Agreement. The general methodology for calculating the parties' percentage shares based on Maximum Allowable Flows is illustrated in the excerpts from the Technical Memorandum attached to this Amendment as Exhibit A-1; provided, that the provisions in the body of this Amendment shall control over the contents of Exhibit A-1.

"Project Costs" means all costs incurred by City to develop, finance, implement, and complete construction of Clean Water Program Projects, including costs of construction contracts, professional consultant services, material and equipment procurement, compliance with regulatory requirements and mitigation measures, real property acquisitions, legal services, finance and economic consultants, and staff costs. In addition, Project Costs include any liability the City incurs in performing the work associated with Clean Water Program Projects and any claims adjusting, claims investigation, and costs incurred in defending claims (including reasonable attorney fees) brought by any consultant, contractor or third party for damages arising out of the prosecution of the Clean Water Program Projects. "Project Costs" does not include components of the Clean Water Program which do not benefit Hillsborough and the costs for which are not allocated to it under this Interim Agreement.

Section 2. Interim Payment of Capital Costs

All financial participation requirements established in previous amendments to the 1989 Agreement and the 1989 Agreement remain in force and are not modified by this Interim Agreement.

City and Hillsborough acknowledge that City is responsible for acquiring financing for Clean Water Program Costs, and has done so through a line of credit, a series of sewer revenue bonds issued in 2019, and loans through programs administered under the Federal Water Infrastructure Finance and Innovation Act. City anticipates securing additional funding through additional sewer revenue bonds and/or the Clean Water State Revolving Fund program.

For purposes of calculating its payments under this Interim Agreement, Hillsborough's Percentage Share of Project Costs shall be:

WWTP Project Costs	7.6%
Dale Avenue Pump Station Projects	8.2%
Underground Flow equalization System Projects	8.2%
Program Management Office	5.7%

Subject to Section 3 below, Hillsborough agrees to reimburse the City for Project Costs incurred in accordance with these percentage shares as follows:

Hillsborough will make an initial payment of \$2,415,000.00, which shall be due and payable within 30 days of the Effective Date. Thereafter, Hillsborough shall make quarterly payments in accordance with Exhibit B (Scenario One – Full Flow) until this Interim Agreement is replaced with the fourth amendment or other permanent arrangement. These interim payments shall be in addition to the periodic charges for wastewater treatment services.

Exhibit B amortizes the remaining Project Costs after the initial payment on a 30-year basis. Hillsborough may prepay its share of the remaining Project Costs, in whole or in part and from time to time, without penalty. Hillsborough agrees it shall provide the City with at least 30 days advance notice should it intend to prepay any of its share of the remaining Project Costs in any amount exceeding the scheduled payments described in Exhibit B. Hillsborough and the City will thereafter amend Exhibit B accordingly to reflect Hillsborough's said prepayment of its share of Project Costs over the remaining years of the original 30-year amortization period pursuant to Section 9 of this Interim Agreement.

Prior invoices for capital costs issued by the City to Hillsborough and any payments by Hillsborough for such costs have been incorporated into Exhibit B.

Hillsborough acknowledges the Percentage Share was developed using a hydraulic model of Hillsborough's Maximum Allowable Flow and the design capacity of the facilities to be constructed as part of the Clean Water Program and intended to be used for capital planning over the course of the Clean Water Program. Hillsborough's Percentage Share will remain unchanged, even if actual flows do not exceed Maximum Allowable Flow, except as detailed in Section 3.

The City shall provide an annual report to Hillsborough regarding the progress of the Clean Water Program including percentage of completion of components of the Clean Water Program and expected completion dates, Project Costs, interest rates, cost overruns, design changes, and other pertinent financial information. The report shall be provided within 60 days of the end of each fiscal year while the Clean Water Program Improvements are being constructed and at the end of the Clean Water Program.

Section 3. Alternative Allocation of Project Costs

The City agrees to provide for an alternative allocation of Project Costs that will apply under the circumstances described in this section.

If during the five years from the Effective Date the Metered Flows from Hillsborough at the El Cerrito Meter exceed the rolling average rate of 4.5 MGD (excluding the 0.3 MGD from the Yew/Borel Trunk Sewer) for any two-hour period, then Hillsborough's share of Project Costs shall be determined pursuant to the provisions of Section 2. If during the five years from the Effective Date the Metered Flows at the El Cerrito Meter from Hillsborough never exceed the rolling average rate of 4.5 MGD for any two-hour period, then Hillsborough's share of Project Costs shall be:

WWTP Project Costs	5.2%
Dale Avenue Pump Station Projects	5.6%
Underground Flow Equalization System Projects	5.6%
Program Management Office	3.9%

Hillsborough's rolling average over a two-hour period shall be calculated by the City using the one-minute interval flow data of the preceding two hours recorded at the El Cerrito Meter, less the one-minute interval flows recorded at the District Meter (until the New

Polhemus Meter has been installed and calibrated, and thereafter by the New Polhemus Meter) for the comparable period that accounts for the lag time between the two meters. The calculations for these flows shall be verified by a third-party consultant acceptable to the parties.

Hillsborough agrees to pay the City its share of Project Costs as calculated pursuant to Section 2 beginning at the Effective Date of this Interim Agreement.

If Hillsborough's share of the Project Costs is to be adjusted pursuant to the provisions of this section, Hillsborough shall make payments in the amounts as shown in Scenario II – Reduced at 5 Year of Exhibit B. Hillsborough will receive a credit for the amount by which the payments under Scenario I exceeded the amounts under Scenario II prior to adjustment, and this credit will be applied to payments due under Scenario II until exhausted.

The five-year period established under this Section 3 shall be carried forward in the fourth amendment or other modification of the 1989 Agreement.

Section 4. Metering

The parties acknowledge and agree that accurate measurement of flows is essential to the allocation of both Project Costs and treatment costs.

(a) The City is agreeable to a new permanent flow meter to be installed at a new, more level location near Polhemus Road as selected by Hillsborough, within Hillsborough's municipal boundaries (the "New Polhemus Meter"). The New Polhemus Meter shall be owned by Hillsborough. The selection of the New Polhemus Meter will be recommended by a consultant acceptable to the parties. Hillsborough shall provide the plans and specifications for the New Polhemus Meter to the City for engineering review and approval. Approval shall not be unreasonably withheld by the City. Any comments or objections shall be provided to Hillsborough within 10 working days. If Hillsborough determines that installation of the New Polhemus Meter involves modifications to the District's facilities, Hillsborough shall at its earliest opportunity inform the District and coordinate the modifications, including scheduling and design, with the District. The City shall not be responsible for any design, scheduling, or construction of modifications to the District's facilities, if any are required. Hillsborough acknowledges it is solely responsible for satisfying all conditions for the installation of the New Polhemus Meter. Until the New Polhemus Meter is installed and calibrated, the current District Meter shall continue to be used as the meter of record for measuring Hillsborough's flows and as a basis for billing treatment costs to Hillsborough under the 1989 Agreement. Once it is installed, the New Polhemus Meter will be calibrated to manufacturer's standards and put into service and thereafter shall be the meter of record for Hillsborough's flows and treatment costs for the duration of this Interim Agreement. Hillsborough will pay the cost of installing the New Polhemus Meter and the initial calibration. Thereafter, the City may utilize the District Meter for comparative purposes.

(b) Within 60 days of the Effective Date, the El Cerrito Meter will be calibrated to manufacturer's standards by a consultant acceptable to the parties. Thereafter, the El Cerrito and New Polhemus Meter will be read and maintained by a third-party consultant acceptable to the

parties. The City/District/County/Hillsborough shall have on-line access to the meter data from the El Cerrito and New Polhemus Meters on a real-time basis. Meter calibration records shall be shared amongst the City/District/County/Hillsborough.

(c) Following the installation and calibration of the New Polhemus Meter and the calibration of the El Cerrito Meter, the meters shall be calibrated not less than annually and shall be replaced when recommended by the third-party consultant.

(d) Except as provided in Section 4(a)-(c) above, the cost of calibrating the El Cerrito and New Polhemus Meters shall be shared equally by the City and Hillsborough for the duration of this Interim Agreement. Maintenance and reading costs of said meters shall continue pursuant to the 1989 Agreement.

Section 5. Payment

Hillsborough agrees to pay its Percentage Share of Project Costs incurred by the City for Clean Water Program Projects. Hillsborough agrees to pay its Percentage Share of Project Costs to City in installments as set forth in Exhibit B for the duration of this Interim Agreement.

Installment payments will commence 30 days after the Effective Date and continue until the full amount of Project Costs and interest has been paid, not exceeding 30 years from the Effective Date, as provided in this Interim Agreement. The amount of the installments will be based on the cost estimates for the Clean Water Program Projects on the effective date of this Interim Agreement, plus interest based on the weighted average of any financing and refinancing obtained for the Clean Water Program Projects. Installment payment amounts will be reduced by the initial payment, as identified in Section 2, and by the amounts paid to the City by Hillsborough for the flow-based percentage of actual costs incurred in connection with Clean Water Program Projects during the period between October 2014 and the Effective Date. The installment schedules in Exhibit B shall be adjusted for differing interest rates when achieved.

Upon completion of construction of the Clean Water Program Projects, the City will recalculate the amount of the installments to reflect the final Project Costs, plus interest as provided in this section, and re-amortize these costs for the balance of time remaining in Exhibit B. Hillsborough acknowledges that the amount of the installments may increase or decrease based on actual Project Costs; however, in no case may the time for payment of the full amount of Project Costs and interest exceed 30 years from the Effective Date unless otherwise agreed for in any subsequent amendment or agreement.

The City and Hillsborough will meet and confer on any new projects in addition to those described in Exhibit A that will have a material effect on the Project Costs payable by them.

Section 6. Late Payment

For any amounts invoiced and not paid to the City within 60 days, Hillsborough agrees to pay to City a late charge equal to 1.5% of the overdue amount. This late charge is a reasonable sum that takes into consideration all the circumstances existing on the date of this Interim Agreement and is a fair and reasonable estimate of the costs and expenses that will be incurred by City due to Hillsborough's failure to make timely payments. The parties agree that it would be impracticable or extremely difficult to fix the actual damages resulting to City from Hillsborough's failure to make timely payments.

Section 7. Payment Required During Dispute

The City and Hillsborough agree to comply with their respective obligations under this Interim Agreement, including full payment of Project Costs as invoiced, while resolution of any disputes under this Interim Amendment or the 1989 Agreement are pending.

Section 8. Survival

In the event that the 1989 Agreement is terminated or found to be unenforceable, the provisions of this Interim Agreement shall remain in effect as the funding mechanism for Hillsborough's share of the Clean Water Program Projects as defined herein.

Section 9. Amendments and Amendment to Conform to New Agreement

In the event that the City agrees to financial terms with the District and/or County in a subsequent modification of the 1989 Agreement or another agreement that are more favorable than those set forth in this Interim Agreement, Hillsborough shall be entitled to the benefit of the same terms, which shall be applied retroactively and prospectively.

In the event Hillsborough prepays its share of Project Costs as described in Section 2 of this Interim Agreement, the City Managers of the City and Hillsborough are hereby authorized to amend Hillsborough's payment schedule(s) as reflected in Exhibit B. Any other amendment to this Interim Agreement unrelated to the payment schedule shall continue to require approval from the parties' respective legislative bodies.

Section 10. Limitations

The terms of the 1989 Agreement, as amended, shall continue in full force and effect, including its procedures for quarterly billing and annual reconciliation for operation and maintenance costs, except that the City and Hillsborough agree to modify their rights and obligations with respect to each other as provided in this Interim Agreement and do not intend to affect the rights or obligations of the County or District. This Interim Agreement shall not affect the allocation of costs for non-CWP capital improvement costs, or other services under the 1989 Agreement except as provided in Section 4.

This Amendment affects the cost allocation for the Clean Water Program as designed as of the Effective Date. Any future capital projects, including modifications to the WWTP or sewage transmission lines, shall be the subject of an amendment to the 1989 Agreement.

In the event of a conflict between the terms of this Interim Agreement and the terms of the 1989 Agreement, as amended, the terms in this Interim Agreement shall control.

ATTEST:

City of San Mateo

Patrice M. Olds
City Clerk

Drew Corbett
City Manager

Date

APPROVED AS TO FORM:

Prasanna W. Rasiah
City Attorney

ATTEST:

Town of Hillsborough

Lisa Natusch
City Clerk

Ann Ritzma
City Manager

Date

APPROVED AS TO FORM:

City Attorney

Exhibit A – Full Flow based Town/District/County Clean Water Program Project Costs with Percentage Share

Project Number	Project Name	Project Description	Estimate at Completion*	San Mateo Share (vs Foster City)	Shared SM Costs with Regional Customers	Town		District		County	
						%	EAC	%	EAC	%	EAC
469981	Program Management Clean Water Program (CWP)	Implementation of the CWP including establishment of the Program Management Office (PMO), management of staff and resources, Program Controls, construction management oversight, permitting, environmental documentation, document controls, change and risk management, and development and implementation of design guidelines and standards.	\$ 72,672,093	87.94%	\$ 63,907,839	5.7%	\$ 3,642,746.80	3.9%	\$ 2,492,405.70	0.3%	\$ 191,723.52
46T002	WWTP Immediate Action projects (IAP) Package 1	Replacement, repair, and modification to provide redundancy of various existing Wastewater Treatment Plant (WWTP) components including rehabilitation and improvements to the secondary clarifiers and solids handling system, replacement of motor control centers (MCC), and SCADA system improvements	\$ 18,621,628	75.88%	\$ 14,130,091	7.6%	\$ 1,073,886.94	5.2%	\$ 734,764.75	0.4%	\$ 56,520.37
46T003	Nutrient Removal and Wet Weather Flow Management Upgrade and Expansion Project	Construction of a new preliminary and primary treatment facility and the replacement of an existing secondary treatment process at the WWTP to eliminate SSOs as directed by a Cease and Desist Order issued by the Regional Water Quality Control Board. State of the art technologies, including membrane bioreactor and biological nutrient removal will be used to operate in peak flows, as well as produce a high-quality effluent, addressing requirements of the NPDES permit. The project includes a new administration building that will house the SCADA system, a new warehouse for equipment and parts storage, and the conversion of the existing aeration basin to an equalization basin.	\$ 540,176,708	75.88%	\$ 409,886,086	7.6%	\$31,151,342.54	5.2%	\$21,314,076.47	0.4%	\$ 1,639,544.34
46T009	WWTP IAP Package 2	Replacement, repair, and modification to provide redundancy of various existing WWTP components including installation of bar screens and rehabilitation and improvements to the effluent pump station and solids handling system.	\$ 13,914,127	75.88%	\$ 10,558,040	7.6%	\$ 802,411.01	5.2%	\$ 549,018.06	0.4%	\$ 42,232.16
46T010	WWTP IAP Package 3	Replacement, repair, and modification to provide redundancy of various existing WWTP components at the effluent pump station including replacement of MCC, variable frequency drives (VFD), valves, and HVAC equipment.	\$ 14,950,765	75.88%	\$ 11,344,640	7.6%	\$ 862,192.68	5.2%	\$ 589,921.31	0.4%	\$ 45,378.56
46T090	Annual Major Components (Recurring Project) – WWTP	An annual recurring budget, during the CWP, used to address priority projects including replacement, repair, and modification to provide redundancy to influent flow meters, the effluent pump station, dichlorination system, solids handling system, HVAC and odor control, site drainage, aeration basin blowers, primary sludge pumps, dewatering equipment, and electrical equipment.	\$ 8,826,138	75.88%	\$ 6,697,274	7.6%	\$ 508,992.79	5.2%	\$ 348,258.22	0.4%	\$ 26,789.09
469942	DAPS Wet Well Rehabilitation	Repair and rehabilitation to allow for improved operation and reliability of DAPS including repair to concrete, relining of wet wells, replacement of existing gates, conduits, and piping, improvements for maintenance access, and improvements for operational flexibility.	\$ 1,744,140	100.00%	\$ 1,744,140	8.2%	\$ 143,019.48	5.6%	\$ 97,671.84	0.4%	\$ 6,976.56
46S003	Basin 2 & 3 - DAPS Improvements	Replacement of existing pumps and installation of VFDs to improve DAPS capacity and reliability, replacement of existing control panels and generator, modifications and enhancements to the SCADA system, and modifications and enhancements to wetwell. Rehabilitation of the existing forcemains.	\$ 29,629,424	100.00%	\$ 29,629,424	8.2%	\$ 2,429,612.79	5.6%	\$ 1,659,247.76	0.4%	\$ 118,517.70
46S003	Basin 2 & 3 – Underground Flow Equalization System	Construction of a 5.3 million gallon below grade tank for in-system equalization storage at the San Mateo County Event Center, associated diversion sewers, forcemains, and pump station	\$ 84,679,710	100.00%	\$ 84,679,710	8.2%	\$ 6,943,736.23	5.6%	\$ 4,742,063.77	0.4%	\$ 338,718.84
TOTAL			\$ 785,214,733		\$ 632,577,244		\$ 47,557,941		\$ 32,527,428		\$ 2,466,401

Notes

*Values are based on the Clean Water Program estimates as of April 2022

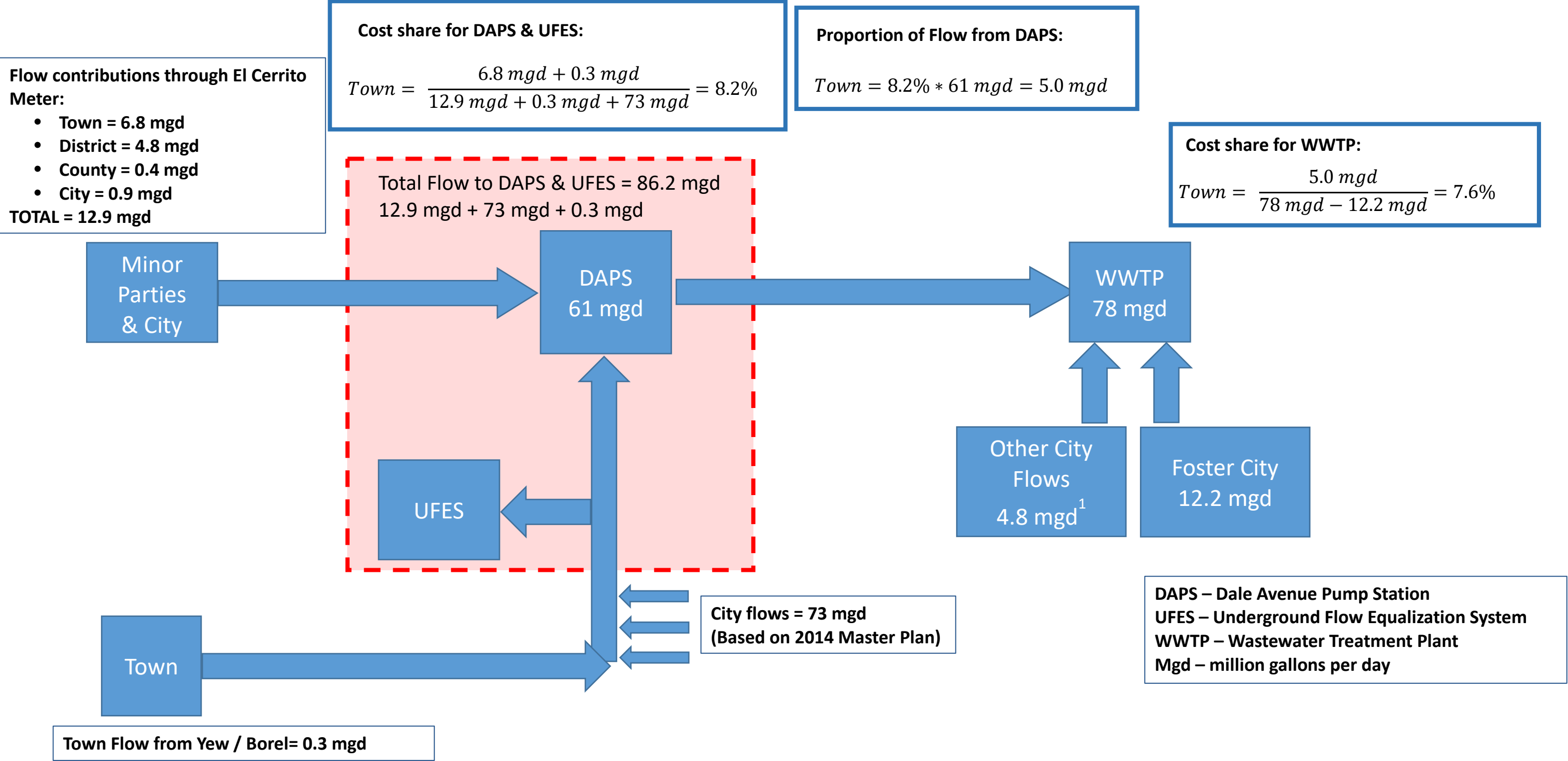
Exhibit A – Reduced Flow based Town/District/County Clean Water Program Project Costs with Percentage Share

Project Number	Project Name	Project Description	Estimate at Completion*	San Mateo Share (vs	Shared SM Costs with Regional	Town		District	
						%	EAC	%	EAC
469981	Program Management Clean Water Program (CWP)	Implementation of the CWP including establishment of the Program Management Office (PMO), management of staff and resources, Program Controls, construction management oversight, permitting, environmental documentation, document control, change and risk management, and development and implementation of design guidelines and standards.	\$ 72,672,093	87.94%	\$ 63,907,839	3.9%	\$ 2,492,405.70	2.6%	\$ 1,661,603.80
46T002	WWTP Immediate Action projects (IAP) Package 1	Replacement, repair, and modification to provide redundancy of various existing Wastewater Treatment Plant (WWTP) components including rehabilitation and improvements to the secondary clarifiers and solids handling system, replacement of motor control centers (MCC), and SCADA system improvements	\$ 18,621,628	75.88%	\$ 14,130,091	5.2%	\$ 734,764.75	3.4%	\$ 480,423.11
46T003	Nutrient Removal and Wet Weather Flow Management Upgrade and Expansion Project	Construction of a new preliminary and primary treatment facility and the replacement of an existing secondary treatment process at the WWTP to eliminate SSOs as directed by a Cease and Desist Order issued by the Regional Water Quality Control Board. State of the art technologies, including membrane bioreactor and biological nutrient removal will be used to operate in peak flows, as well as produce a high-quality effluent, addressing requirements of the NPDES permit. The project includes a new administration building that will house the SCADA system, a new warehouse for equipment and parts storage, the conversion of the existing aeration basin to an equalization basin.	\$ 540,176,708	75.88%	\$ 409,886,086	5.2%	\$21,314,076.47	3.4%	\$13,936,126.93
46T009	WWTP IAP Package 2	Replacement, repair, and modification to provide redundancy of various existing WWTP components including installation of bar screens and rehabilitation and improvements to the effluent pump station and solids handling system.	\$ 13,914,127	75.88%	\$ 10,558,040	5.2%	\$ 549,018.06	3.4%	\$ 358,973.35
46T010	WWTP IAP Package 3	Replacement, repair, and modification to provide redundancy of various existing WWTP components at the effluent pump station including replacement of MCCs, variable frequency drives (VFD), valves, and HVAC equipment.	\$ 14,950,765	75.88%	\$ 11,344,640	5.2%	\$ 589,921.31	3.4%	\$ 385,717.78
46T090	Annual Major Components (Recurring Project) – WWTP	An annual recurring budget, during the CWP, used to address priority projects including replacement, repair, and modification to provide redundancy to influent flow meters, the effluent pump station, dichlorination system, solids handling system, HVAC and odor control, site drainage, aeration basin blowers, primary sludge pumps, dewatering equipment, and electrical equipment.	\$ 8,826,138	75.88%	\$ 6,697,274	5.2%	\$ 348,258.22	3.4%	\$ 227,707.30
469942	DAPS Wet Well Rehabilitation	Repair and rehabilitation to allow for improved operation and reliability of DAPS including repair to concrete, relining of wet wells, replacement of existing gates, conduits, and piping, improvements for maintenance access, and improvements for operational flexibility.	\$ 1,744,140	100.00%	\$ 1,744,140	5.6%	\$ 97,671.84	3.7%	\$ 64,533.18
46S003	Basin 2 & 3 - DAPS Improvements	Replacement of existing pumps and installation of VFDs to improve DAPS capacity and reliability, replacement of existing control panels and generator, modifications and enhancements to the SCADA system, and modifications and enhancements to wetwell. Rehabilitation of the existing forcemains.	\$ 29,629,424	100.00%	\$ 29,629,424	5.6%	\$ 1,659,247.76	3.7%	\$ 1,096,288.70
46S003	Basin 2 & 3 – Underground Flow Equalization System	Construction of a 5.3 million gallon below grade tank for in-system equalization storage at the San Mateo County Event Center, associated diversion sewers, force mains, and pump station	\$ 84,679,710	100.00%	\$ 84,679,710	5.6%	\$ 4,742,063.77	3.7%	\$ 3,133,149.28
		TOTAL	\$ 785,214,733		\$ 632,577,244		\$ 32,527,428		\$ 21,344,523

Notes

*Values are based on the Clean Water Program estimates as of April 2022

Exhibit A-1 – Town of Hillsborough



1. Flow includes Bay Meadows PS, Flint PS, and Mariners Island.

Exhibit B
Town of Hillsborough Clean Water Program Costs

	Scenario I - Full Flow	Scenario II - Reduced at 5yr	
		Years 1-5	Years 6-30
Max El Cerrito Flow (mgd)	6.8	4.5	4.5
Clean Water Program Costs ¹	\$ 47,557,941	\$ 47,557,941	\$ 32,527,428
Clean Water Program Payments ²	\$ 3,362,249	\$ 3,362,249	\$ 10,478,018
Clean Water Program Contribution ³	\$ 44,195,692	\$ 44,195,692	\$ 22,049,410
Interest Rate ⁴	3.50%	3.50%	3.50%
Installment Years	30	5	25
Annual Installment Payment	\$ (2,402,979)	\$ (2,402,979)	\$ (1,337,827)

Payment Year	Annual Payment Amount	Annual Payment Amount	Annual Payment Amount
2022	\$ (2,402,979)	\$ (2,402,979)	
2023	\$ (2,402,979)	\$ (2,402,979)	
2024	\$ (2,402,979)	\$ (2,402,979)	
2025	\$ (2,402,979)	\$ (2,402,979)	
2026	\$ (2,402,979)	\$ (2,402,979)	
2027	\$ (2,402,979)		\$ (1,337,827)
2028	\$ (2,402,979)		\$ (1,337,827)
2029	\$ (2,402,979)		\$ (1,337,827)
2030	\$ (2,402,979)		\$ (1,337,827)
2031	\$ (2,402,979)		\$ (1,337,827)
2032	\$ (2,402,979)		\$ (1,337,827)
2033	\$ (2,402,979)		\$ (1,337,827)
2034	\$ (2,402,979)		\$ (1,337,827)
2035	\$ (2,402,979)		\$ (1,337,827)
2036	\$ (2,402,979)		\$ (1,337,827)
2037	\$ (2,402,979)		\$ (1,337,827)
2038	\$ (2,402,979)		\$ (1,337,827)
2039	\$ (2,402,979)		\$ (1,337,827)
2040	\$ (2,402,979)		\$ (1,337,827)
2041	\$ (2,402,979)		\$ (1,337,827)
2042	\$ (2,402,979)		\$ (1,337,827)
2043	\$ (2,402,979)		\$ (1,337,827)
2044	\$ (2,402,979)		\$ (1,337,827)
2045	\$ (2,402,979)		\$ (1,337,827)
2046	\$ (2,402,979)		\$ (1,337,827)
2047	\$ (2,402,979)		\$ (1,337,827)
2048	\$ (2,402,979)		\$ (1,337,827)
2049	\$ (2,402,979)		\$ (1,337,827)
2050	\$ (2,402,979)		\$ (1,337,827)
2051	\$ (2,402,979)		\$ (1,337,827)
Total	\$ (72,089,359)	\$ (12,014,893)	\$ (33,445,667)
		Total	\$ (45,460,560)

¹Estimated share of CWP project costs as of 4/2022 estimates; subject to change based on final actual costs.

²Payments made toward the CWP project costs as of 2/18/22 + payment of \$2,415,000 pending receipt. For the reduced flow scenario, the payments made account for extra principal paid in the first 1-5 years.

³Share of CWP project costs less project payments.

⁴The final interest rate will be based on the weighted average of the financings and refinancings obtained for the CWP Projects. Debt service payments will be revised accordingly.