

Napa County Agreement No. _____

**Agreement Between Napa Sanitation District and Napa County
Regarding the Design and Engineering of an Expansion of
Recycled Water Pipeline in the MST Area**

This Agreement ("Agreement") is entered into and effective as of _____ by and between Napa County, a political subdivision of the state of California ("County") and the Napa Sanitation District, a County sanitation district, formed pursuant to Health & Safety Code Sections 4700, et seq. ("District").

WHEREAS, the District produces and conveys recycled water from its Soscol Water Recycling Facility; and

WHEREAS, the District and the County are signatory to the Memorandum of Understanding establishing the North Bay Water Reuse Authority ("NBWRA"); and the NBWRA has prepared an environmental analysis ("EIR/EIS") of a project, which includes the recycled water pipeline project in the Milliken-Sarco-Tulocay ("MST") Groundwater Area ("MST Project"), and successfully pursued and obtained federal funding assistance from the United States Bureau of Reclamation ("USBR") through its WaterSMART grant program; and

WHEREAS, the County and the District entered into a Joint Community Facilities Agreement (County Agreement No. 7858) in December 2012, establishing duties and obligations associated with the County's Community Facilities District and the District's agreement to build and maintain the Project; and

WHEREAS, the District and the County entered into an Agreement titled "Agreement Between Napa Sanitation District and County of Napa Regarding the Construction, Operation and Maintenance of a Recycled Water Pipeline in the MST Area" in June 2014, establishing duties and obligations associated with the construction and operation of a recycled water pipeline in the MST area; and

WHEREAS, the District constructed the MST Project, accepting the project on March 2, 2016; and

WHEREAS, there is a desire among residents and land owners in the City of Napa and unincorporated Napa County along the alignment shown in Exhibit A to obtain the benefits of having recycled water made available to this area for appropriate uses to help offset the use of potable water and/or water deficiencies in the MST Groundwater Area; and

WHEREAS, the District has expressed an interest and ability to provide recycled water to the expansion area ("MST Expansion Project") subject to certain terms and conditions; and

WHEREAS, the County and the District have approved an addendum to the NBWRA EIR/EIS for the MST Expansion Project; and

WHEREAS, the District and the County now desire to more specifically set forth their agreement regarding the design and engineering of the MST Expansion Design Project.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements of the parties and other valuable consideration the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Project Definition.

- A. The MST Expansion Design Project. The MST Recycled Water Pipeline Expansion Design Project ("the Project") is the design and engineering of a recycled water pipeline from the existing MST recycled water distribution pipeline according to the Project Map ("Exhibit A"). The project also includes the construction and installation of five (5) public services and water meters on the existing MST Recycled Water Distribution pipeline.
- B. Project Modification. The District may modify the Project during design and engineering as necessary to effectuate the least cost design for construction and operations of the Project. The modifications to any Professional Services Agreements shall be in the form of Task Orders or Task Order Amendments, and will be approved in accordance with the District's Procurement Policies (District Code Section 2.03, et seq.). It is acknowledged that such changes may or may not increase or decrease the overall cost of the design and engineering contract and/or the final construction project. The estimated project costs, as described in Section 4 below, identify design and engineering costs of the pipeline expansion as well as the construction and implementation of public services and water meters. The District shall have full authority to authorize payment requests, Task Orders, and Construction Change Orders that result in payment requests up to the estimated project costs. The District and the County agree that all Task Orders, Task Order Amendments and Construction Change Orders will be discussed at regularly scheduled project meetings, and that any changes or Orders that increase the cost of the Project beyond the estimated project cost shall be approved by the District only after discussion with and approval of additional authority to spend beyond the Total Estimated Costs is provided by the County Director of Public Works.

2. Construction of the Project.

- A. Procurement of Design/Engineering Professionals. The District will conduct and be responsible for the procurement of all contracts associated with the design and engineering of the Project, including selecting the engineering consultant and all other associated consultants including but not limited to environmental consultants. Procurements shall follow District Code Section 2.03, et seq., and all requirements of the United States Bureau of Reclamation and/or other requirements derived from federal or state funding of the Project.
- B. Procurement of Construction Contractor. The District will conduct and be responsible for the procurement of all contracts associated with the construction and implementation of the public services and water meters portion of the Project, including selecting the lowest responsive and responsible bidder for the construction and selecting the construction management firm and all other associated consultants including but not limited to the design engineer during construction and/or environmental consultants, as deemed necessary by the District.
- C. County Involvement in Procurement. County may participate in the vendor selection process by reviewing proposals, providing timely comments to District, participating in any interviews of

potential contractors, and providing input during deliberative sessions, but the final selection of contractors and consultants shall be made by the District.

- D. Construction Management. The District shall be responsible for all construction management, oversight and inspection services. The District may conduct this work on its own or it may hire third party contractors to provide these services. Costs associated with construction management shall be considered Project costs and subject to payment and reimbursement to the District and under any grants, loans or CFD revenues as appropriate.
- E. Connection of New Recycled Water Customers. The District shall be responsible for working with five new recycled water customers that are identified by County to make physical connection to the existing MST recycled water distribution pipeline as part of this Project, including inspection of connections and use agreements. Recycled Water customers are responsible for all costs associated with all improvements made on the recycled water customer's side of the meter, except for those costs identified in the Project that are associated with providing customer connection to the Project.

3. Project Financing.

- A. Community Facilities District. County shall be solely responsible for acquiring any and all financing associated with the Project. The County intends initially to pay for Project costs from proceeds of property assessments connected from the MST Community Facilities District (CFD). County shall be responsible for all covenants, interim reports, post-project completion reports and other requirements of the CFD.
- B. State Revolving Fund Loan. The County intends to apply with the California State Water Resources Control Board to use State Revolving Fund Loans ("SRF Loan") to finance the Project. County shall be responsible for all covenants, interim reports, post-project completion reports and other requirements imposed under the SRF Loan. In connection with the SRF Loan, the District understands and agrees that when the County has secured its SRF Loan for the Project, the County will ask the District to make covenants and representations that pass through loan conditions onto the District, in a form similar to Exhibit B to the agreement for the MST Project entered into in June 2014. Agreement to such covenants and conditions by the District shall not be unreasonably withheld. Following the execution of this Agreement, the parties hereto shall, by administrative action not requiring governing board approval, complete and execute an amendment to this Agreement to reflect the representations, warranties and commitments, effective date, Agreement number and construction commencement date contained in the final SRF Loan agreement.
- C. Joint Community Facilities Agreement. Rights and obligations associated with the "Joint Community Facilities Agreement related to Napa County Community Facilities District No. 2012-1 (MST Recycled Water Line Project)", attached hereto and incorporated by reference herein as "Exhibit B", shall be controlled by that Agreement.
- D. Connection of Future Users. District does not impose a Connection Fee (as described in California Government Code Section 66013) for new users of its recycled water system, and the District agrees not to impose one in the future for new users connecting to the Project. County shall be responsible for managing how to account for any connection fee or user fees that may be imposed by the County, and for determining how that fee relates to the CFD tax levy, SRF

loan, or any reimbursements owed to the County or CFD participants. Future users shall be responsible for all direct and indirect costs associated with future connections to the Project, including connection to the recycled water main, public service installation, water meters, inspections and all private infrastructure improvements.

4. Project Cost, Payments and Grant Reimbursements.

- A. Project Cost Paid by County. County agrees to be responsible for and pay all Project costs, not reimbursed by the United States Department of Interior Bureau of Reclamation (“USBR”) under the Title XVI WaterSMART grant program, the State Water Resources Control Board under the Proposition 1 funding programs, or other grants or loans obtained for the Project. However, in no event shall the amount to be paid to the District by the County exceed \$590,000, without County Board of Supervisors approval.
- 1) Preliminary Engineering. County shall appropriate \$50,000 of Measure A Funding for preliminary engineering which shall not be exceeded.
 - 2) Planning and Design. County shall appropriate \$450,000 of CFD Assessments for planning and design when it determines that sufficient revenue will be collected from future customers annexing into the CFD to justify the Project. District shall not undertake any planning and design-related Project tasks until directed to do so in writing by the County’s Director of Public Works.
 - 3) Service Connections. County shall appropriate \$90,000 of CFD Assessments for the construction and implementation of five (5) service connections, to specific properties, along existing MST recycled water pipeline.

The District shall not be responsible for any Project costs. Project costs include design services, pre-construction engineering, bidding and other procurement costs, construction cost, construction management, labor compliance services associated with construction, design services during construction, environmental services associated with permit, CEQA and NEPA compliance, District staff costs, permit fees, and other direct costs related to construction and oversight of the Project. Costs include an estimated \$500,000 for design and engineering of the pipeline expansion, and an estimated \$90,000 for the construction and implementation of five (5) service connections, to specific properties, along existing MST recycled water pipeline. It is understood by both parties that the County may stop work on the project at any time, and that County will only be responsible for costs incurred up to that date.

- B. Project Budget. This Agreement authorizes the County to pay all actual Project expenses as defined in Section 4.(A.) above. The Total Project Budget is \$590,000, with 25% of eligible cost to be reimbursed to the District under the USBR WaterSMART grant program and the remaining amount to be paid by the County or from other grant sources. County understands and acknowledges that if the recycled water expansion is not constructed prior to October 1, 2017, the Project may not be eligible for USBR grant funding. Any amounts over the Total Project Budget shall be agreed to between the parties prior to encumbrance of those costs. County agrees not to withhold its agreement for reasonable expenses related to implementation of the project. County asserts and District understands that the County will not commit resources to the Project beyond those available through grants, SRF Loan and the Community Facilities District. Both parties agree to proceed with the project acknowledging that if Project costs exceed resources available to the County, the Project may not be completed.

- C. Payment Upon Invoice. County shall pay the District upon presentation by District to County's Public Works Director an invoice for costs to District for the Project. Such invoices shall be no more frequent than monthly. County shall use said invoices to seek reimbursement from the State under the terms of its SRF Loan or from the CFD. County and District recognize that this process may be time consuming, and as such County shall pay District as soon as practical, but no later than forty-five (45) calendar days of the presentation of an invoice by District provided the invoice is sufficiently documented. Invoiced amounts shall be net of those expenses the District requests for reimbursement from the USBR or other sources.
- D. Interest on Overdue Invoices. County agrees that invoices that are not paid within the time established in Section 4. (C.) above shall be assessed a one percent (1%) per month interest charge, and that County agrees to pay and shall be financially responsible for such interest charges. Interest charges shall not accrue if County reasonably disputes an invoice. In such event, interest shall begin to accrue forty five (45) days after the parties reach agreement on the invoiced amount, or forty-five (45) days after the parties have engaged in Dispute Resolution as provided in Section 15 herein and the matter determined.
- E. Breach for Non-Payment of Invoices. County agrees that non-payment of reimbursable expenses in a timely fashion, notwithstanding non-payment of expenses that are protested in good faith, may be considered a material breach of contract that can result in stop work orders issued by the District to the contractors. County agrees that any actions taken in association with a material breach of contract due to non-payment of invoices that result in increased costs to the Project are the responsibility of the County.
- F. Format of Invoices. District shall provide invoices in a format needed by County for management and reporting for an SRF loan, including any necessary backup or supplemental information needed as justification of expenses.
- G. Grant Management. District shall contract with Sonoma County Water Agency as a subrecipient of any USBR WaterSMART grants designated toward the Project. Grant funding from other sources is not anticipated but is possible. District shall use the revenues from any associated grants to offset the County's financial obligations under this Agreement. District shall be responsible for all reimbursement requests under the USBR grant programs and will assume responsibility for all reporting requirements under them.

5. Ownership, Maintenance and Operation of the Project.

- A. Ownership of the Project. District will accept ownership of the Project upon completion and Project Acceptance.
- B. Operation of the Project. District will accept responsibility for operation of the Project upon completion. The District will determine based on its own operational requirements when to begin delivery of recycled water to the five new public laterals and water meters.
- C. Maintenance of Environmental Mitigation Areas. District shall build, construct, install, and/or rehabilitate the Project in accordance with any environmental mitigation requirements of the Project, as defined in the environmental permits for the Project. District shall contract with a third party(ies) for the ongoing maintenance of and reporting on the environmental mitigation areas. District intends to contract with the Napa County Flood Control District for this work.

County agrees to be financially responsible for the expenses associated with maintenance of and reporting on the environmental mitigation areas.

- D. *Renewal, Rehabilitation and Replacement*. The District shall assume and accept all responsibility for all future renewal, rehabilitation and replacement expenses associated with the Project.

6. Provision of Recycled Water.

- A. *District provides Recycled Water*. District shall be responsible for providing recycled water to the five new customers as part of the Project, including all costs associated with purveying the water, activities associated with invoicing customers for water usage and collecting those revenues, and collection of user reports as required in user agreements.
- B. *Recycled Water Fees*. County agrees that all revenue collected by District for recycled water is the property of District to use any way District determines to be appropriate.

7. Ongoing Recordkeeping and Reporting.

- A. *Annual Report*. District shall provide County with an annual report of recycled water usage along the Project alignment.
- B. *Interim Reports*. District will provide to County interim reports upon request, along with any information necessary for the County to comply with any SRF Loan, CFD covenants or other reporting requirements.
- C. *Document Retention*. District will maintain Project construction drawings and other information deemed necessary and important by the District regarding the construction of the Project for at least twenty (20) years following completion of the project. Financial records associated with the Project, including payables records, receivable records and grants receivable records, shall be maintained at least five (5) fiscal years after the transactions are recorded. Grant reports shall be maintained in accordance with the USBR funding agreement.

8. Additional NBWRA Cost Sharing

County and District will share NBWRA participation costs attributable to District identified for Fiscal Years 2016/17 and 2017/18 as described below. These costs include the following activities:

- Program Development
- Federal Legislative Advocacy
- Grant Applications and Management

These activities are part of the “Phase 1 Support” component of the NBWRA Third Memorandum of Understanding.

Total estimated costs to the District under Phase 1 Support – during the fiscal years noted – are estimated to be \$86,674, although the NBWRA Memorandum of Understanding (MOU) allows for these costs to increase by as much as 15% without unanimous approval of the NBWRA Board of Directors. County agrees to reimburse District fifty per cent (50%) of the District’s costs for the “Phase 1 Support” category during these fiscal years, or an estimated maximum of \$43,337. Pursuant to the above, County shall pay the District upon presentation by District to County’s Public Works Director an invoice for costs of District’s Phase 1 NBWRA membership expenses. County shall

pay District its share of these costs within forty five (45) days of the presentation of invoices by the District to the County. These costs are over and above those described in Section 4.

9. **Hold Harmless By County.** County agrees to defend, indemnify and hold District, its elected officials, officers, employees and agents and successors and assigns of each of them (collectively, "Indemnified Parties") harmless from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, proceedings and judgments including, without limitation, reasonable attorneys' fees arising from or in any way connected with any claims against the Indemnified Parties for damages or violation of any law resulting from any act, omission, or other action taken by the County in performance of its duties under this Agreement.
10. **Hold Harmless By District.** District agrees to defend, indemnify and hold County, its elected officials, officers, employees and agents and successors and assigns of each of them (collectively, "Indemnified Parties") harmless from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, proceedings and judgments including, without limitation, reasonable attorneys' fees arising from or in any way connected with any claims against the Indemnified Parties for damages or violation of any law resulting from any act, omission, or other action taken by the District in performance of its duties under this Agreement.
11. **Ongoing Duties and Responsibilities.** In addition to the parties' duties and responsibilities as described in other sections of this Agreement, the parties acknowledge and agree to perform the following on an ongoing basis during the time that the Project is under construction:
 - A. **Regular Staff Meetings.** The respective staffs of County and District, and their retained consultants or contractors, will meet as needed to address matters contained in this AGREEMENT.
 - B. **Commitment of Staff and Resources.** To provide sufficient staff and/or resources to this process to efficiently meet the goals and tasks set forth in this Agreement.
12. **Warranty of Legal Authority.** Each party warrants and covenants that it has the present legal authority to enter into this Agreement and to perform the acts required of it hereunder. If any party is found to lack the authority to perform the acts required of it hereunder or is prevented from performing the acts by a court of competent jurisdiction, this Agreement shall be void.
13. **Assignment/Delegation.** Neither party hereto shall assign or transfer any benefit or obligations of this Agreement without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.
14. **Severability.** In the event any provision of this Agreement is held to be invalid or unenforceable, the valid or enforceable portion thereof and the remaining provisions of this Agreement will remain in full force and effect.
15. **Dispute Resolution.** The parties agree to negotiate in good faith any disputes or disagreement arising from this Agreement. In the event that the parties cannot come to agreement within a reasonable period of time, the parties agree to the use of a third party independent mediator to help the parties come to mutual agreement. The parties agree not to seek remedy or dispute resolution through the courts without first attempting in good faith to resolve the dispute through

negotiation or mediation, but in no way does this requirement limit the rights of either party to seek redress through legal action.

16. **Attorneys' Fees.** The prevailing party in any legal action brought by one party against any other party and arising out of this Agreement shall be entitled to reimbursement for its expenses, including court costs and reasonable attorneys' fees.
17. **Waiver.** Any waiver (express or implied) by any party of any breach of this Agreement shall not constitute a waiver of any other or subsequent breach.
18. **Exercise of Discretion.** The parties recognize and agree that nothing in this Agreement is intended to nor shall be interpreted to limit the ability of the individual members of the District Board of Directors and the Board of Supervisors to exercise their discretion in whatever manner appropriate.
19. **Notices.** Whenever notice is to be given, it shall be in writing and delivered by personal, overnight express or courier service, with a written receipt, or sent by registered or certified mail in a sealed envelope, postage prepaid, return receipt requested and addressed as follows:

Napa Sanitation District:

General Manager
1515 Soscol Ferry Road
Napa, California 94558

Napa County:

Director of Public Works
1195 Third Street, Suite 101
Napa, CA 94559

Changes may be made in addresses to where notices are to be delivered by giving notice pursuant to this provision.

20. **Entire Agreement.** This document is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement.
21. **Amendment.** This Agreement may only be amended in writing by an amendment authorized by the District Board of Directors and County Board of Supervisors.
22. **Recitals Adopted.** The parties hereby agree to and adopt the Agreement recitals as portions of the Agreement.
23. **Termination for Cause.** Any party may terminate this Agreement for cause of non-performance. Such termination shall be based upon sixty (60) days' notice given to the other party in the manner set forth in Section 19 Notices, provided however that no such termination shall occur if the defaulting party cures its non-performance within thirty (30) days of notice of such nonperformance.

24. Joint Defense in Event of Third Party Challenges to the Agreement. In the event of a third party challenge of any type to this Agreement, the parties agree to jointly defend the validity and implementation of the Agreement.

25. Counterparts Signature. This Agreement may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

NAPA COUNTY, a political subdivision of the State of California By: _____ Alfredo Pedroza, Chairman of the Board of Supervisors	APPROVED AS TO FORM Office of County Counsel By: <u>Chris R.Y. Apallas (e-sign)</u> Date: <u>May 31, 2016</u>
ATTEST: GLADYS I. COIL Clerk of the Board of Supervisors By: _____	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS Office of County Counsel Date: _____ Processed by: _____ Deputy Clerk of the Board
NAPA SANITATION DISTRICT By: _____ JILL TECHEL, Chair of the Board	APPROVED AS TO FORM: JOHN BAKKER, District Counsel By: _____
ATTEST: CHERYL SCHUH NSD Board Secretary By: _____	

Cc/d/Dist/MST/Contracts/NSD MST Extension AgreementFinal6.1.16AATF

Exhibit A

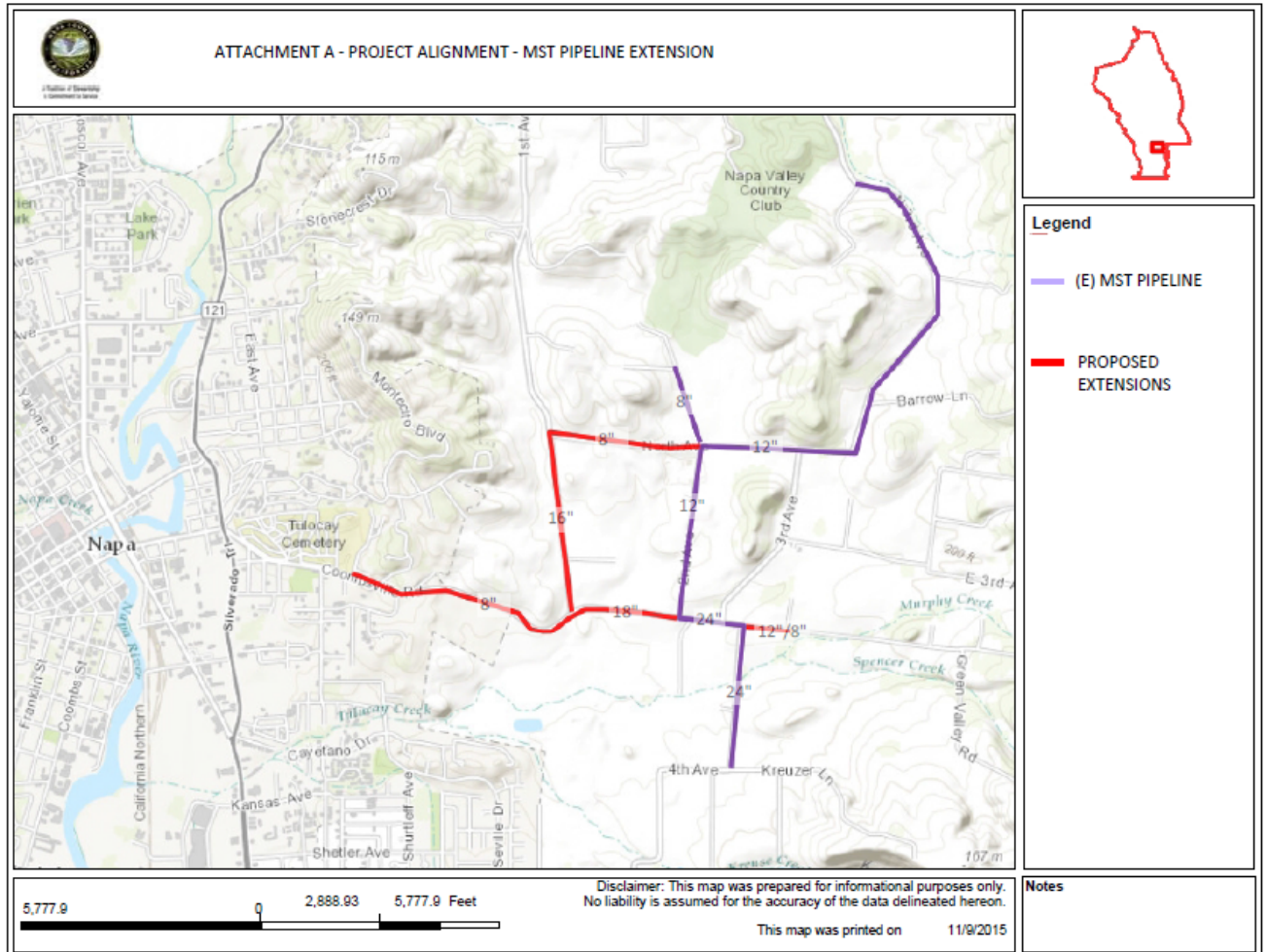


Exhibit B

Napa County Agreement No. 7858

JOINT COMMUNITY FACILITIES AGREEMENT

Relating To:

**COUNTY OF NAPA
Community Facilities District No. 2012-1
(MST Recycled Water Line Project)**

This Joint Community Facilities Agreement (this "Agreement"), dated as of December 11, 2012, is made by and between the County of Napa (the "County"), on behalf of itself and its Community Facilities District No. 2012-1 (MST Recycled Water Line Project) (the "CFD"), and the Napa Sanitation District (the "Sanitation District").

BACKGROUND

A. The County is conducting proceedings for the establishment of the CFD and the authorization and issuance of special tax bonds or other evidence of indebtedness of the CFD (the "Loan") under the Mello-Roos Community Facilities Act of 1982, as amended, Part 1 (commencing with Section 53311) of Division 2 of Title 5 of the California Government Code (the "Act") for the financing, among other things, of the recycled water pipeline facilities (the "Facilities") described in Exhibit A attached hereto and by this reference made a part hereof, which are intended to be owned, operated and maintained by the Sanitation District.

B. Under the Act, the County, through the CFD, may finance public facilities to be owned and operated by the Sanitation District only pursuant to a joint community facilities agreement between the County and the Sanitation District.

C. The Facilities, when completed to the satisfaction of the Sanitation District and accepted by the Sanitation District, will become a part of the Sanitation District's municipal wastewater and recycled water system, to be owned, operated and maintained by the Sanitation District.

D. The Sanitation District intends to provide for the construction of the Facilities using a portion of the proceeds of the Loan.

E. The County and the Sanitation District have determined that it would be of benefit to the residents of each of their respective jurisdictions and the property owners within the CFD to enter into this Agreement to provide for the financing of the Facilities by the County, and the construction of the Facilities by the Sanitation District.

AGREEMENTS

In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Sanitation District agree as follows:

1. Agreement. This Agreement constitutes a "joint community facilities agreement" within the meaning of Section 53316.2 of the Act, under which the County and the CFD will be authorized to finance the construction and installation of the Facilities by the Sanitation District.

8. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9. Amendments. Amendments to this Agreement shall be made only by written instrument executed by each of the parties hereto.

10. Notices. Under this Agreement, notices shall be sent by first class mail or messenger as follows:

To the County:


County of Napa
1195 Third Street, Suite 210
Napa, CA 94559
Attn: Phillip M. Miller, PE
Deputy Director of Public Works

To the Sanitation District:

Napa Sanitation District
935 Hartle Court
Napa, California 94559
Attention: Jeff Tucker
Director of Administrative Services/Chief Financial Officer

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

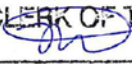
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first-above written.

<p>COUNTY OF NAPA, for and on behalf of its Community Facilities District No. 2012-1 (MST Recycled Water Line Project)</p> <p>By: </p> <p>Name: <u>Keith Caldwell</u></p> <p>Title: <u>Chairman, Board of Supervisors</u></p> <p>APPROVED AS TO FORM: Office of County Counsel</p> <p>By: <u>Robert W. Paul</u> (by e-signature) Deputy County Counsel</p> <p>Date: <u>November 7, 2012</u></p>	<p>NAPA SANITATION DISTRICT</p> <p>By: </p> <p>Name: <u>Jill Tecchel</u></p> <p>Title: <u>Board Chair</u></p> <p>APPROVED AS TO FORM: District Counsel</p> <p>By:  (by e-signature) District Counsel</p> <p>Date: <u>11/20/2012</u></p>
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ATTEST:
Clerk of the Board of Supervisors

cc:\DIST\MST\Joint Facilities Agmt(2)

By: 

APPROVED 12/11/12
BOARD OF SUPERVISORS
COUNTY OF NAPA
GLADYS I. COIL
CLERK OF THE BOARD
BY  Deputy

3

**EXHIBIT A
DESCRIPTION OF FACILITIES**

The Facilities shown below are proposed to be financed or funded in whole or in part by the CFD. The Facilities shall be owned and operated by the County, the Napa Sanitation District or another public agency, and shall be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the County, the Napa Sanitation District or such other public agency.

- (a) Approximately 4.5 miles of recycled water pipeline and appurtenances.
- (b) A recycled water pumping station and appurtenances.

The Facilities to be financed or funded shall include, without limitation, the following costs: earthwork related to the Facilities; appurtenances to and improvements related to the Facilities; related landscaping and irrigation; acquiring rights-of-way (including any right-of-way intended to be dedicated by the recording of a final map); design, architecture, engineering and planning; any environmental review or environmental studies, traffic studies, surveys, geotechnical studies, soils testing, or other studies related to the Facilities; permits, plan check and inspection fees; insurance, legal and related overhead costs; project management, coordination and supervision; and any other costs or appurtenances related to any of the foregoing.

The CFD may also finance or fund, and the special taxes may also be used, for any of the following purposes:

1. To pay for the purchase, construction, expansion, improvement or rehabilitation of any of the Facilities, and to reimburse the County, the Napa Sanitation District or any third parties for advances made to purchase, construct, expand, improve or rehabilitate any of the Facilities.
2. To pay principal of, interest on, and any premium due with respect to, any bonds or other indebtedness issued or entered into by the County with respect to the CFD, and to pay lease payments or installment sale payments with respect to any of the Facilities.
3. To pay all expenses related to the issuance of bonds or other indebtedness by the County with respect to the CFD, including without limitation: underwriter's discount; reserve fund; capitalized interest; fees, expenses and premium associated with any letter of credit or other credit enhancement; fees and expenses of bond counsel, disclosure counsel and issuer's general counsel; fees and expenses of the County's financial advisors, engineers and special tax consultants, and other City consultants; and all other incidental expenses.
4. To pay annual or periodic administrative fees of the County and the bond trustee or fiscal agent related to the CFD and the bonds or other indebtedness of the CFD, and to reimburse the County for its costs and expenses related to the administration of the CFD and the bonds or other indebtedness.
5. To reimburse the County, the Napa Sanitation District or any third parties for actual costs advanced that are related to the formation of the CFD.