

Exhibit E - WCF Credit and WCF Payment

Consistent with this Agreement, at the time the City installs new EBMUD water mains at the frontage of the subdivided parcels, the City is required to connect all domestic and fire services to parcels fronting the new EBMUD water system to the new EBMUD water main and those parcel owners or occupants are required to become EBMUD customers in accordance with the District's Regulations Governing Water Service to Customers (Regulations) and pay all applicable fees, including the System Capacity Charges (SCC) and the Wastewater Capacity Fees (WCF).

The City is eligible for a WCF credit by eliminating the three EBMUD master water meters currently serving the Point. However, the City's redevelopment plan is atypical in that it calls for the gradual transition of water use from the three EBMUD master water meters to new individual water meters serving each future parcel, which varies from the normal redevelopment process where the existing meter is killed and credit is given prior to installation of new meters. In contrast, the existing EBMUD master water meters serving the Point must remain in service for the duration of the redevelopment for on-going fire protection and domestic use during the transition period until ALL services are transferred to a new District water main.

This gradual transition does not provide for a set point-in-time when the existing meters will be disconnected and credit determined prior to new meters being installed per standard District procedure; consequently, the District is providing the City with a WCF credit for the existing three EBMUD master water meters upon execution of the Water Infrastructure Agreement. Consistent with EBMUD Regulations, the WCF credit for the existing three master meters will be established based on the past 10-year historical average annual peak month wastewater flows from the effective date of the Water Infrastructure Agreement, rather than from the date when the three existing meters are eventually removed from service. This is a ONE-TIME WCF credit being granted to the City and NO additional WCF credit shall be granted. The District will allow the City to bank its WCF credit and to distribute the credit to parcels within the Point, as it sees fit. The banked WCF credit will be valid for 20 years, and at the end of the 20-year period any WCF credits remaining will be forfeited. The WCF credit and City assignment will be tracked by the District's New Business Office.

In accordance with the effective date of the Water Infrastructure Agreement, the WCF credit, based on the past 10-year historical average annual peak month water demand in 100 cubic feet (ccf) is estimated as follows:

Meter No.	10-Year Historical Average Annual Peak Month (ccf)	Total WCF Unit Charge (\$/ccf/mo)	*Estimated Valuation of WCF Credit
14586611	944	\$ 321	\$ 302,930
16776621	19,162	\$ 321	\$ 6,151,128
70074325	3,475	\$ 321	\$ 1,115,349
Credit	23,581		\$ 7,569,407

Assignment of WCF Credit:

The City may assign a portion or all of the WCF credit to subdivided parcels within the Point before deed recordation. No WCF credit may be assigned to parcel(s) after deed recordation. The amount of assigned WCF credit will be deducted from the total WCF credit available to the City, and will at no time exceed the total established WCF credit. Assignment of WCF credit and collection of WCF payment shall be conducted as follows:

1. Parcels Sold to New Owners

When selling a parcel to a new owner, the City shall notify the District in writing of the property sale and the amount of the WCF credit being assigned, if any, to the sold parcel, prior to deed recordation. Once the deed is recorded, the amount of the WCF credit assigned shall be final and not subject to change.

A. If the parcel being sold by the City to new owners fronts a District water main where water services have not yet been connected to the District water main, the City shall immediately transfer the water services to the District water system. Prior to the service transfer, City shall submit an application to request the transfer of service and establish new service, including any required supporting documents, in accordance with EBMUD Regulations:

- Based on the information provided in the application for water service and required supporting documents from the new owner, the District shall estimate potential wastewater volumes from proposed use(s) and assign a business classification code (BCC), consistent with the strength of wastewater discharge associated with the proposed use(s) at the parcel. A WCF will be calculated based on estimated volumes and assigned BCC according to the District's Schedule of Rates and Charges in effect.
- If there is an assigned WCF credit (as determined by the City) to the parcel that is sufficient to offset the WCF payment for the proposed water demand, no WCF will be collected.
- If there is no assigned WCF credit to the parcel, or the assigned WCF credit does not sufficiently offset the estimated WCF payment, the District will collect from the City the WCF amount due to initiate service. The WCF is due and payable, net any WCF credits assigned by the City.
- After the parcel is connected to the newly installed District water main and water services (fire and domestic) are established, the District's Regulations and Schedule of Rates and Charges will apply to any future changes in the parcel's wastewater capacity demand.
- For non-residential customers, a review of the actual volume and strength may be conducted within 24 months, to determine whether the actual volume and strength is consistent with the original estimate. The review may result in the assessment of additional Wastewater Capacity Fees if the actual flow and/or strength exceed the original estimate. Subsequent water service applications from private businesses and owners after City transfer to a private owner are no longer subject to this Agreement and will be subject to EBMUD policies and regulations similar to other parcels within EBMUD's jurisdiction.

B. If the parcel being sold to a new owner fronts the City's private water system, the City shall notify the new owner in writing of the District's requirement for all existing and/or future water and/or private fire services serving the parcel to connect to a District water main, when it

becomes available, in accordance with requirements outlined in Section 1 Paragraph A. Furthermore, the City shall notify the District in writing that the parcel is being sold and provide written notification of the assigned WCF credit, if any, to the sold parcel prior to deed recordation.

- Prior to deed recordation, the City shall submit to the District the parcel's anticipated water demand and proposed land uses for the purpose of determining the WCF payment. The City may provide a sub-meter to the parcel at its expense. Any City installed appurtenances shall not become a part of the District's distribution system.
- At the time of deed recordation, the WCF payment, net any WCF credit assigned to the parcel by the City, is due and payable to the District.
- The District will hold the WCF payment in a non-interest bearing escrow on behalf of any future owner of the parcel until the City completes the water main extension required to serve the parcel. The WCF payment held in escrow by the District runs with the parcel and is not refundable or transferrable.
- After the City completes the water main extension to serve the new parcel, the City shall immediately transfer water services to the District water system. Prior to the service transfer, the City shall submit an application for water service and required supporting documents to validate water demand. If a larger water meter is required due to a change in use, additional WCF will be assessed and collected from the City based on the size of the new service consistent with the District's Schedule of Rates and Charges in effect.
- After the parcel is connected to the newly installed District water main and water services (fire and domestic) are established, the District's Regulations and Schedule of Rates and Charges will apply to any future changes in the parcel's wastewater capacity demand.
- For non-residential customers, a review of the actual volume and strength may be conducted within 24 months, to determine whether the actual volume and strength is consistent with the original estimate. The review may result in the assessment of additional Wastewater Capacity Fees if the actual flow and/or strength exceed the original estimate. Subsequent water service applications from private businesses and owners after City transfer to a private owner are no longer subject to this Agreement and will be subject to EBMUD policies and regulations similar to other parcels within EBMUD's jurisdiction.

2. City Owned Parcels

As the City converts its private water system to a District water system by installing new water mains and abandoning the private water system, all City owned properties that front a newly installed District water system shall establish District water service and pay the WCF based on the assessed wastewater capacity demand, net of any WCF credit that the City assigns to that parcel.

- A. A City-owned parcel that fronts a newly installed District water main is required to establish District water service immediately by transferring water services to the District water main. Prior to the service transfer, the City shall submit an application for water service to determine WCF payment due, if any, in accordance with EBMUD Regulations:
- Based on the information provided in the application for water service and the required supporting documents including the parcel's anticipated land uses, the District shall estimate wastewater capacity demand and determine the associated WCF payment. The application for

water service will not be considered complete without written confirmation from the City of any WCF credit that is assigned to that parcel.

- The total WCF due is payable, net any assigned credit, consistent with the District's Regulations and Rates and Charges.
- If the water service is transferred to a private owner as part of a parcel subdivision and sale, then Section 1 (Parcels sold to New Owners) above will apply.
- The District has the authority to review and validate water demand after a parcel is sold for change in use. If a larger water meter is required due to expanded water use, additional WCF will be assessed based on the size of the new service consistent with the District's Schedule of Rates and Charges in effect. Additional WCF payments, if any, will be the responsibility of the City. Subsequent water service applications from private businesses and owners after City transfer to a private owner are no longer subject to this Agreement and will be subject to EBMUD policies and regulations similar to other parcels within EBMUD's jurisdiction.
- After the parcel is connected to the newly installed District water main and water services (fire and domestic) are established, the District's Regulations and Schedule of Rates and Charges will apply to any future changes in the parcel's wastewater capacity demand.

- B. City-owned parcels served by the private water system are not subject to WCF payments until connecting to the newly installed District water system. The City may assign a portion or all of the WCF credit to City-owned parcels within the Point prior to connecting to the newly installed District water main or deed recordation without limitations.

Additional Requirements:

1. A WCF credit that has been assigned by the City to a parcel may not be transferred to another parcel.
2. Parcels that have been sold to new owners and assigned a WCF credit may not be reassigned an additional WCF credit.
3. The WCF payment may be offset by credits only to the extent that the City has sufficient credits remaining before the deed for any parcel is recorded.
4. Subsequent water service applications from private businesses and owners after City transfer to a private owner are no longer subject to this Agreement and will be subject to EBMUD policies and regulations similar to other parcels within EBMUD's jurisdiction.
5. As set forth above, the City shall be responsible for paying WCF that is not fully offset by the assigned WCF credits. The City shall provide to the District in writing the WCF payment method as a part of the application for water service. WCF payment dues may be satisfied by any one or a combination of the following:
 - Assignment of additional WCF credit by the City, if any remaining, prior to deed recordation
 - WCF payment submitted by the City
 - WCF payment submitted by the new property owner
6. For each application for water service submitted to EBMUD, the City shall provide the following data to support the estimation of wastewater volume and strength to determine the associated WCF payment for an existing building or at buildout of a proposed renovation/new project:
 - Detailed description of building size and use, including total building square footage, business type and amenities, and number of persons using facility

- For eating and drinking establishments, include square footage of kitchen and dining area, and number of dining seats and/or bar seats OR number of people that can be served
- Plumbing plans and the total plumbing fixture counts
- For non-typical commercial and industrial uses, such as breweries, where wastewater volumes may differ significantly from water demand, provide an estimate of the anticipated maximum monthly wastewater volumes per activity
- Per EBMUD policy, a review of the actual volume and strength may be conducted within 24 months, to determine whether the actual volume and strength is consistent with the original estimate. The review may result in the assessment of additional Wastewater Capacity Fees if the actual flow and/or strength exceed the original estimate.