# TEN-YEAR WATER INFRASTRUCTURE AGREEMENT BETWEEN EAST BAY MUNICIPAL UTILITY DISTRICT AND CITY OF ALAMEDA REGARDING ALAMEDA POINT 

THIS TEN-YEAR WATER INFRASTRUCTURE AGREEMENT ("Agreement") by and between the City of Alameda, a California charter city (the "City"), and East Bay Municipal Utility District, the municipal water utility provider (the "District" or "EBMUD") is effective as of the date of the last required signature ("Effective Date"). The City and the District are sometimes collectively referred to in this Agreement as the "Parties," and individually as a "Party." The Parties have entered into this Agreement with reference to the following facts:

## RECITALS

A. The portion of the Naval Air Station Alameda ("NAS Alameda"), commonly referred to as Alameda Point ("Property" or "Alameda Point"), which encompasses the Naval facilities and grounds comprising the western end of the City of Alameda and consists of approximately 878 acres of real property as depicted on Exhibit A, together with the buildings, improvements and related other tangible personal property located thereon and all rights, easements and appurtenances thereto, was decommissioned by the United States Department of the Navy (the "Navy") in 1993 and closed in 1997.
B. The Navy designed, owned and operated the Alameda Point Potable Water System. Water was supplied to the Navy's Alameda Point Potable Water System by the District through three master meters located on the perimeter of NAS Alameda. The Alameda Point Potable Water System was neither built, nor maintained to the standards of the District. Alameda Point is within the District's service area for potable water and within the District's service area for wastewater services.
C. On May 2, 1997, the District and the City entered into a Joint Exercise of Powers Agreement ("JPA") under which the District agreed to provide specified services to assist the City in meeting its potable water system related custodial responsibilities at the Property in anticipation of the water system being upgraded and conveyed to the District. Through a series of modifications and extensions the JPA was continued through March 31, 2017. Throughout the
term of the JPA, the City remained the District's customer, receiving water to the Property through the same three master meters as the Navy.
D. On June 6, 2000, the United States, acting by and through the Navy, executed that certain Memorandum of Agreement between the Alameda Reuse and Redevelopment Authority, (successor, the City of Alameda) for the No-Cost Economic Development Conveyance of Portions of the former NAS Alameda, as such subsequently amended (the "EDC Agreement"). The EDC Agreement requires that all proceeds from the sale of land or buildings at the Property be reinvested back into the Property, including for infrastructure.
E. Pursuant to the Section 106 of the National Historic Preservation Act, prior to conveyance of the Property to the City, the Navy was required to establish a nationally registered historic district on Alameda Point affecting approximately one-third of the Alameda Point property ("NAS Alameda Historic District") and constraining the City's ability to demolish and completely redevelop the buildings and streets on the Property within the NAS Alameda Historic District.
F. On June 6, 2013, the Navy transferred approximately 509 acres of land and the water utility distribution system at Alameda Point pursuant to the EDC Agreement. The Navy conveyed subsequent property to the City in 2016 and 2017, resulting in the City's ownership of a total of 551 acres at the Property, and will transfer approximately 327 acres to the City as part of future conveyances.
G. On February 4, 2014, upon acquisition of major portions of Alameda Point from the Navy, the City Council approved the necessary Environmental Impact Report ("EIR"), General Plan amendments, Zoning Ordinance amendments, including the creation of the Alameda Point District (Alameda Municipal Code 30-4.24), and a Master Infrastructure Plan for Alameda Point ("MIP") (collectively "Planning Documents") required to implement the 1996 Naval Air Station Alameda Community Reuse Plan in compliance with the California Environmental Quality Act ("CEQA"), and the City of Alameda General Plan. The Planning Documents, which included approval of a mixed-use, transit-oriented development consistent with the General Plan, consists of the rehabilitation, reuse and new construction of approximately 5.5 million square feet of commercial and workplace facilities for approximately

8,900 jobs; maritime and water related recreation uses in and adjacent to the Seaplane Lagoon, including a new ferry terminal; rehabilitation and new construction of 1,425 residential units for a wide variety of household types for approximately 3,240 residents; and complete upgrade to former Navy utility infrastructure.
H. The approved MIP provides the master plan for the phased replacement of all of the Navy's outdated and substandard utility infrastructure, including water, sewer, storm drain, electrical, gas, telecommunications, and surface street improvements at Alameda Point ("New Infrastructure"), prepared in concert with all of the outside utility providers, including the District. The New Infrastructure includes construction of new District owned and operated water mains for potable water and fire protection systems at Alameda Point compliant with District specifications and consistent with the MIP, and relocation of all standard and fire services to the new District owned water mains ("Water System Replacements").
I. Pursuant to the MIP, New Infrastructure will be implemented differently in the Reuse Area than in the Development Areas as depicted in Exhibit B to address the specific infrastructure requirements needed to preserve the NAS Alameda Historic District in the Reuse Area. Due to the fact that the Reuse Area is comprised of the NAS Alameda Historic District that constrains the new development process, the buildings within the Reuse Area are planned to be sold and reused incrementally by private property owners on a parcel-by-parcel basis prior to New Infrastructure being constructed. Upon receipt of funds from the sale of the properties within the Reuse Area, the City will oversee the logical implementation of the New Infrastructure in the Reuse Area. The Development Area will be sold and developed by master developers that will construct New Infrastructure, including Water System Replacements, in the Development Area consistent with other large-scale land development projects and the District's main extension projects.
J. On July 5, 2014, the City of Alameda adopted the Alameda Point Development Impact Fee Ordinance ("DIF") (Alameda Municipal Code 27-4) consistent with the MIP, which created a required mechanism for financing the New Infrastructure for Alameda Point based on the costs estimated in the MIP and escalated annually. All new development and property sales to private property owners require the payment of the DIF to fund New Infrastructure. The DIF
payments and any additional proceeds from the sale of land and buildings in the Reuse Area are required to be reinvested back into implementing the New Infrastructure ("Reuse Proceeds").
K. Property owners within the District's service area must be the District's customers consistent with the District's regulations. In order to be a customer of the District, a property owner must have direct access to the Water System Replacements. The phased approach to financing and implementing the New Infrastructure contemplates the City selling parcels to private property owners within the Reuse Area ("Reuse Parcels") before direct access to the Water System Replacements is constructed and is inconsistent with the District's regulations.
L. Until direct access to Water System Replacements can be provided to the Reuse Parcels, the City will continue to provide water to the new owners through its existing water infrastructure. Thus, the City would remain the customer of record with the District, would receive water from the District through its master meters, and provide water to the Reuse Parcels within Alameda Point through its own water infrastructure until the Water Service Replacements are constructed. At that time, property owners would then become the District's customers upon satisfaction of all payments and compliance with then existing District regulations and ordinances.
M. The Parties recognize that it is in their mutual interest to work together in implementing the Water System Replacements, for Alameda Point. This Agreement is intended to set forth the process the City will follow to finance and construct New Infrastructure in the Reuse Area and to obtain compliance with the District's regulations.

WITH REFERENCE TO THE FACTS RECITED ABOVE, the City and the District agree as follows:

## AGREEMENT

1. The Parties agree that the statements of the Background section above are true and correct and form the basis for this Agreement
2. Notwithstanding the District's Regulations to the contrary, in recognition of the unique situation within the Reuse Area within Alameda Point, and in recognition of the restrictions placed on properties within the Reuse Area by the Navy related to the NAS Alameda

Historic District, the District agrees that for the next ten years it will allow the City to provide water through its water system to the Reuse Parcels and temporarily suspend enforcement of Regulation 19 as long as the City remains in compliance with the terms of this Agreement.

## Build-Out of Water Infrastructure

3. In conformance with District provided designs, the City will build out the Water System Replacements in the Reuse Area of Alameda Point (as shown on Exhibit B) in phases, as depicted in the Phasing Plan attached as Exhibit C or other mutually agreed to phasing plan that consists of a looped water system in which both ends of the loop connect to existing District owned and operated water mains and that meets the obligations outlined below. In planning and constructing the Water Service Replacements in the Reuse Area for each phase, the City shall comply with the following conditions and meet the following milestones by the times specified below consistent with the District's standard main extension process. Prior to the sale of the first Reuse Parcel within in each phase, the City must prepare a well-reasoned cost estimate for the planned Water System Replacement and perform a study to demonstrate that sufficient Reuse Proceeds exist or will exist to construct the Water System Replacements for that phase and bring the Reuse Area into compliance with District standards and requirements within the timeline set forth in this Agreement ("Feasibility Study"). In compliance with District standard procedures, the City's cost estimates must incorporate the District's standard unit costs. The City recognizes the District's standard unit costs as reflected in its Regulations, may increase over time, and that therefore the greater the amount of time between when a Feasibility Study is performed and the contemplated construction is undertaken, the greater the chances the actual costs will be higher than the costs used in the Feasibility Study. The City acknowledges that it is responsible to pay the District's costs as of the time of construction and not the time of the Feasibility Study. The City performed a Feasibility Study for each of the phases in the Phasing Plan, attached as Exhibit D, which was conducted by the City and its civil engineering consultants. The City represents and confirms that the Feasibility Study for the attached Phasing Plan demonstrates that the Reuse Proceeds will sufficiently fund the required Water System Replacements for each phase and includes an engineer's cost estimate for all of the costs associated with the Water System Replacements for each phase. The City recognizes that for any phase not depicted in Exhibit C, the City must prepare a Feasibility Study that demonstrates that Reuse Proceeds from that new or
revised phase will sufficiently fund the required Water System Replacements, and include an engineer's cost estimate for all of the costs associated with the Water System Replacements for that phase.
4. The City represents and confirms that as to each phase it selects, if the Feasibility Study demonstrates that Reuse Proceeds from the Reuse Parcels in the phase will NOT sufficiently fund the required Water System Replacements, the City will NOT proceed with the sales until additional funding can be secured to implement the required Water System Replacements. Only once the City demonstrates additional funds can be secured to cover the cost of the required Water System Replacements will the City proceed with the first sale of the Reuse Parcels in that phase.

## Milestones

5. Within nine months of recording the deed for the first sale within the targeted Phase, the City shall submit to EBMUD's New Business Office ("NBO") an EBMUD Water Service Application to initiate a water main extension, including all fire flow requirements established by the local fire agency, site improvement plans, tentative parcel map, information regarding potential contaminated soils, CADD files, and a non-refundable Water Service Estimate per EBMUD Regulations for that phase. The City acknowledges that it has received copies of the following forms current as of the time of signing this Agreement: (1) East Bay Municipal Utility District's Applicant-Installed Water Main Extension Agreement ("Main Extension Agreement"); (2) New Business Office Water Main Extension Checklist; and (3) EBMUD Water Service Application. The City acknowledges that these forms may change or be augmented in the best interest of the District. The Parties will use the most current form for each Phase.
6. After receiving the EBMUD Water Service Application to initiate a water main extension from the City, the District will complete the planning, including necessary hydraulic analysis to determine the required pipeline diameter, length and costs of water infrastructure improvements in accordance with District Regulations for that phase. The District will then prepare and forward to the City a Main Extension Agreement for execution by the City. The Main Extension Agreement will include the estimated total cost for that phase for the project. The estimate will be based on the cost of District crews were performing all the work, and on
cost schedules in the District's Regulations, including the cost of District supplied materials and services (e.g. pipe, other appurtenances and construction inspection) ("District Design and Construction Cost Estimate").
7. The City shall execute the Main Extension Agreement within three months of receipt of the agreement and provide the following to proceed with the design of the water main extension:

- Executed Main Extension Agreement (3 copies)
- Design deposit consisting of $10 \%$ of the District Design and Construction Cost Estimate Final
- Site improvement plans
- Final record map (to be recorded)
- Electronic CAD file
- Survey data relevant to the project area, if not previously provided
- Contact name, address, and telephone number for title company to be used for easement process (if easement is required)
- Site environmental data

8. Upon the execution of the Water Main Extension Agreement and payment of the District Design deposit by the City, EBMUD will proceed with completing the design of the water main extension. Concurrently, EBMUD will determine easements required to be supplied by the City for the portions of EBMUD's water system that will be constructed outside of the existing public right-of-way.
9. Upon completion of the design of the water main extension, EBMUD will issue a Balance Due Letter to the City requesting payment in full for the District-incurred design costs and estimated inspection costs less the Design Deposit amount. The letter will also request a copy of the recorded final map, Payment and Performance bonds, Certificates of Public Liability and Workers Compensation Insurance forms, contractor name and contact information, and any other information outstanding such as clearance of easements by EBMUD's Real Estate Services Division and clearance by EBMUD's Regulatory Compliance Division for trench spoils handling and disposal.
10. Within one month of receipt a Balance Due Letter from EBMUD, the City shall submit final payment, and a copy of the recorded final map, to EBMUD. The project shall
receive clearance by EBMUD's Regulatory Compliance for trench spoils handling and disposal, and EBMUD's Real Estate Services Division for all easements required to necessitate constructing, maintaining, and operating the new water system.
11. Upon receiving the requested payment and once all requirements pertaining to the installation of the water main extension outlined above are satisfied, EBMUD will release the completed water main extension design drawings to the City through the District's Construction Inspection Division.
12. Within three months of receipt of completed water main extension design drawings, the City shall obtain bids for the construction of the required infrastructure improvements for all water main extensions over 1,000 feet in length. In the event of a bid protest or cause for a rejection of all bids, an additional three months will be granted to obtain bids for construction. Upon final selection of the contractor, the City shall promptly provide the District with Payment and Performance bonds, Certificates of Public General and Auto Liability, Pollution, Builders Risk and Workers Compensation Insurance forms, as well as the contractor name and contact information. In addition to the City, the District will be named as an additional insured on each of the required types of insurance (not including worker's compensation and professional liability insurance). The insurance will be primary and non-contributory to any other applicable insurance carried by the District. The Workers Compensation Insurance will contain a waiver of subrogation. For water main extensions under 1,000 feet, EBMUD is required to complete the construction per EBMUD Regulations at City's expense.
13. Within six weeks of receipt of a responsive low bid to construct the Water System Replacements as designed by the District, the City shall award of the construction contract and issue a Notice to Proceed to the contractor to commence construction of the project if the total pipeline length exceeds 1,000 feet.
14. Within 365 working days from the Notice to Proceed, the City shall complete the required water infrastructure improvements.
15. Within the same above 365 working days, the City shall abandon or remove all portions of the private water system within the public right-of-way or a utility easement within the subject Phase from service and request the District to transfer all domestic and fire services serving existing buildings adjacent to the new water main extension or within the boundaries of the subject Phase to the new EBMUD water main. City owned buildings that are adjacent to the
new water main extension but are within the boundaries of a different Phase may, at the City's discretion remain on the City's private system until the Phase that contains the subject building is complete and accepted by EBMUD. For pipes abandoned in place and not removed, the City agrees to fill the pipes with concrete. Abandoned-in-place pipes shall be promptly mapped by the City in accordance with applicable State laws and regulations including California Government Code Sections 4216 et seq.
16. It is the expectation of the Parties that for each Phase, no later than 52 months from the transfer of title of the first Reuse Parcel within the Phase, as determined by the recording of the deed, the City shall have completed construction of the Water System Replacements for that Phase to the satisfaction of the District. Failure to meet this expectation will not, by itself, constitute a Breach of this Agreement

## System Capacity Charges

17. System Capacity Charges ("SCC") and how they will be determined and handled are more particularly described in Exhibit E to this Agreement. Exhibit E and these System Capacity Charges paragraphs are intended to complement each other; however, in the event of a conflict, the language in Exhibit E shall take precedence over these more general paragraphs regarding SCCs.
18. Upon execution of this Agreement, the District will determine the System Capacity Charge ("SCC") credit related to the three master meters serving Alameda Point, using the effective date of this Agreement as the SCC assessment date. SCC credits associated with the three master meters will be conveyed to the City as set forth in Exhibit E to this agreement. Prior to each deed recordation, the City may assign a portion or all of the SCC credit to any real property within Alameda Point to be transferred in fee. The amount of assigned SCC credit will be deducted from the total SCC credit available to the City and will at no time exceed the total established SCC credit. The SCC credits will be valid for 20 years from the effective date of this Agreement. No further SCC credit shall be granted in relation to the three master meters serving Alameda Point.
19. SCC payments are due and payable to the District, net any credit assigned by the City, upon the recordation of the deed transferring the subject Alameda Point real property parcel from the City to the new owner. If the parcel is within the Reuse Area, the District will hold the

SCC payment in a non-interest bearing escrow account on behalf of the parcel until the City completes the Water System Replacements work for the phase that includes the subject Reuse Parcel and Reuse Parcel's sub-meter is converted to a District water service. In no event will any parcel subject to SCC charges (or credits) be transferred to the EBMUD water system until all parcel-related SCC payments due have been paid or any credits used have been acknowledged in writing by both the City and the District. SCC payment requirements for City-owned and transferred parcels are set forth in Exhibit E of this agreement.

## Wastewater Fees and Charges

20. Wastewater fees and charges and how they will be determined and handled are more particularly described in Exhibit E to this Agreement. Exhibit E to this Agreement and these Wastewater Fees and Charges paragraphs are intended to complement each other, however, in the event of a conflict the language in Exhibit E shall take precedence over these more general paragraphs regarding wastewater fees and charges.
21. Upon execution of this Agreement, the District will determine the Wastewater Capacity Fee ("WCF") credit related to the three master meters serving Alameda Point, using the effective date of this Agreement as the WCF assessment date. WCF credits associated with the three master meters will be conveyed to the City as set forth in Exhibit E to this agreement. Prior to each deed recordation, the City may assign a portion or all of the WCF credit to any real property within Alameda Point to be transferred in fee. 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. The WCF credits will be valid for 20 years from the effective date of this Agreement. No further WCF credit shall be granted in relation to the three master meters serving Alameda Point.
22. WCF payments are due and payable to the District, net any credit assigned by the City, upon the recordation of the deed transferring the subject Alameda Point real property parcel from the City to the new owner. If the parcel is a Reuse Parcel, the District will hold the WCF payment in a non-interest bearing escrow account on behalf of the parcel until the City completes the Water System Replacements work for the phase that includes the subject Reuse Parcel and Reuse Parcel's sub-meter is converted to a District water service. In no event will any parcel subject to WCF charges (or credits) be transferred to the EBMUD water system until all parcel-
related WCF payments due have been paid or any credits used have been acknowledged in writing by both the City and the District. WCF payment requirements for City-owned and transferred parcels are set forth in Exhibit E of this agreement. Currently, wastewater treatment charges for Alameda Point are based on water consumption for the three master meters serving the area and the District's Rate Schedule for the business classification code (BCC) assigned to the meters - Domestic. Based on sampling conducted in November 2016 at Pump Station R, current wastewater strength at Alameda Point is consistent with the existing domestic BCC assigned to the three meters. However, because redevelopment of Alameda Point may affect wastewater flows and strength, the District will continue to monitor strength changes over time at Pump Station R through periodic sampling. If increases in strength above the current domestic BCC are recorded over a sustained period, the District may issue an administrative wastewater discharge permit to the City. This permit would provide for a customized billing mechanism to be developed in consultation with the City that would allow the District to fully recover treatment costs for wastewater flows from the City's tenants still connected to the existing three main meters.
23. As required by the District's NPDES permit, the District administers a Pollution Prevention (P2) Program for both residential and commercial accounts. The District will assess the City the standard monthly P2 fee per user, currently $\$ 0.20 /$ dwelling unit and $\$ 5.48 /$ commercial account based on the tenant reports provided by the City under the terms of this Agreement. The City agrees to pay the total P2 amount due bi-monthly as part of the water bills for Alameda Point.
24. By June 30th of each year, the City will provide the District with a list of all assessor parcel numbers that are served by the District's three master water meters and have a sewer lateral serving a building on that parcel for purposes of assessing a Wet Weather Facilities Charge (WWFC). The list shall be sent to the District's contact identified in paragraph 28 below. Based on the parcel list provided by the City, the District will assess the City the standard per parcel charge, currently $\$ 94.10 /$ parcel less than 5,000 land sq. ft., $\$ 147 /$ parcel between 5,000 and 10,000 land sq. ft., and $\$ 336 /$ parcel over 10,000 land sq. ft . The City shall pay the total WWFC amount due annually when billed as part of the water bills for Alameda Point.
25. Within 30 days of the effective date of this Agreement, the City shall provide the District a list of all current and existing tenants at Alameda Point, including the number of residential units and the following information for industrial and commercial accounts: business name, contact name, phone number, address and building number, type of business, and as applicable, the tenant's sub-meter number.

## Wastewater Reporting

26. The City shall provide to the District a change of occupancy notification within 30 days of a change in occupancy and or sub-occupancy within Alameda Point.
27. The City shall provide to the District an annual occupancy summary report by June 30th of each year including a highlight of the annual changes in occupancy.
28. The City's notification of a change of occupancy, and annual occupancy summary report shall be sent to the District's Manager of Wastewater Environmental Services: Jackie Zipkin, Manager of Wastewater Environmental Services, East Bay Municipal Utility District, 375 - 11th Street, MS 702, Oakland, CA 94607-4240, (510) 287-1608, jackie.zipkin@,ebmud.com.

## Additional Provisions

29. At least six months prior to any new water main extension being placed into service the City must notify all existing and new property owners of the requirement to transfer water services from the City's private water system to the new EBMUD water system, including applying for water service to become EBMUD customers and paying all applicable water and wastewater related fees as determined by EBMUD.
30. Relocations of newly constructed water main extensions due to future horizontal and vertical conflicts, including future utility conflicts, changes in future roadway realignment/right-of-way shall be performed at the City's expense. In the event relocations of newly constructed water main extensions are required, the City shall submit a Water Service Application to the District's New Business Office to initiate the relocation process.
31. Where existing City owned structures are not included within the boundaries of an active Phase and do not "front" a new water main extension, the City is responsible to secure
water through either the existing private water system or install additional infrastructure improvements, such as additional water main extension(s), to ensure continuance of service.
32. It is the City's responsibility to secure local fire agency approval and install additional infrastructure improvements to ensure sufficient fire flow is provided to existing City owned parcels to remain on the City's existing private water system. At locations where the City's existing private water system is connected to the District's water mains, the City shall install proper back flow preventions subject to the District's review and approval.
33. Prior to any EBMUD water service being activated from new main extensions, City shall work with EBMUD's Backflow Prevention Section to ensure District requirements for backflow prevention and cross-connection control are met. Beginning three months after the effective date of this Agreement, the Parties will commence to meet quarterly in order to provide each other with updates on the sale of Reuse Parcels, design review, construction progress of Water System Replacements and any other aspect relating to the performance of this Agreement.
34. Upon mutual agreement of the Parties, the exhibits to this Agreement may be amended and updated, if appropriate, based on information from the City's 2017 asset mapping contract with Hydromax.
35. To the extent the City anticipates a phase extending beyond the term of this Agreement, the City must promptly notify the District so the Parties may determine next steps regarding enforcement of District Regulations, except with regard to Maintenance Services, as described below.
36. The timelines, milestones, and other obligations set forth in this Agreement were mutually determined and agreed upon by the Parties and represent a commitment to success of the development of Alameda Point. For each Phase, failure by the City to meet a milestone or comply with an obligation will constitute a breach of this Agreement ("Breach"). The District agrees that as a first response to a Breach by the City, the District will provide a written notice to the City and allow the City 30 days to correct the noted Breach. If the City fails to cure a Breach within the time allotted the District may seek any and all remedies permitted under this Agreement, the District's Regulations and the law. The Parties agree that the City may cure a Breach by providing evidence to the reasonable satisfaction of the District, showing how the City will accelerate its schedule in order to meet the completion deadline for the completed Water System Replacements for each phase.
37. City expressly agrees that upon its failure to timely cure a Breach after notification by the District, the City will pay EBMUD all damages related to the planning, design, bid, construction, inspection, and all other associated costs for that phase, necessary for completion of the Water System Replacements. Said payment shall be made within 90 days from the date EBMUD makes a demand on the City for the payment. City shall also provide all easements or right-of-ways required by the District to construct, install and operate the required water infrastructure facilities. The City agrees that its failure to immediately convey all easements or rights-of-way as required by the District will cause irreparable harm to the District, and in that event, in addition to other remedies provide by applicable law, the District will be entitled to immediate issuance of an injunction enforcing the conveyance of the required easements or rights-of-way.
38. Notification and Disclosure to Potential Purchasers: City agrees that at least 20 calendar days prior to closing of a sale of any parcel within the Reuse Area, the City will provide each proposed new owner with a letter, on City letterhead, that substantially states the content of the form letter attached hereto as Exhibit F ("Notification and Disclosure Letter"). City shall simultaneously provide a copy of that letter to the District. At least 10 days prior to closing, City shall provide the District with a copy of the potential purchaser's written acknowledgment of receipt of the Notification and Disclosure Letter. City agrees that it will not proceed with the sale of any parcel within the Reuse Area unless and until it provides the District with the Notification and Disclosure Letter signed by the potential purchaser.

## Maintenance Services

39. The District is under contract to the City to provide specified maintenance services for the City's private water system at Alameda Point through October 23, 2017 ("Short Term Agreement"). A copy of the Short Term Agreement is attached to this Agreement as Referenced Document Exhibit G. The City acknowledges that once the Short Term Agreement expires, the District will cease to provide any maintenance services to the City's private water system. If, before October 23, 2017, the City transfers fee title to at least one Reuse Parcel, the District agrees to extend the term of the Short Term Agreement for five years from the effective date of this Agreement ("Extended Maintenance Agreement"). This extension and any other extensions to the Short Term Agreement or the Extended Maintenance Agreement, will be
reflected in written amendments to those Agreements, which written amendments may include changes in terms other than the duration, such as scope of geographic area covered, scope of services provided, and fee caps. At the end of the five-year term for the Extended Maintenance Agreement, the District will cease to provide any maintenance services to the City's private water system at Alameda Point. If the City initiates a subsequent phase, the District will continue to provide the specified maintenance services within the geographic area covered by that Phase for an additional five years. For the purposes of this paragraph, a subsequent Phase will be deemed initiated when the City submits a water service application to the District, and only if the submittal of the water service application occurred on or before the last day of the fifth year of this Agreement. Under no circumstance will the District provide maintenance services to the City's private water system at Alameda Point beyond ten years after the effective date of this Extended Maintenance Agreement.
40. The City acknowledges that the District will not provide the City with backflow prevention services. When the City has addressed the backflow issues within Alameda Point and is in full compliance with the backflow prevention requirements of California Code of Regulations Title 17, the District may begin discussions with the City on its role to support the City's backflow prevention program.
41. The City acknowledges the District will not provide maintenance services on the City's water system beyond the ten-year term of this Agreement, and at the end of the ten-year term of this Agreement the City will be fully responsible for all operations and maintenance requirements for all portions of the water system at Alameda Point that have not been accepted by the District and made part of the District's system by that acceptance. The City also acknowledges that, as set forth in Paragraphs 39 through 41, the District's obligation to provide maintenance service for the City's water system may terminate before the end of the full ten-year term of this Agreement

## General Provisions

42. Entire Agreement - This instrument including its exhibits, contains the entire Agreement of the parties relating to the rights granted, obligations assumed, and supersedes all prior written and oral discussions or representations and is not intended to create any third Party rights. All referenced Exhibits are incorporated into this Agreement by reference.

Notwithstanding the above, the attached Referenced Document G - the Short Term Agreement to Provide Services for the City of Alameda's Potable Water System at Alameda Point, is a stand-alone contractual agreement between the City of Alameda and the District that is not altered by the terms of this Agreement. To the extent this Agreement contemplates changes to the Short Term Agreement or the Extended Maintenance Agreement those changes will only take effect if a written amendment to those Agreements is executed by the parties to those Agreements.
43. No Discrimination - There shall be no discrimination in the performance of this Agreement against any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, gender including gender identity or expression, age, marital or domestic partnership status, mental disability, physical disability (including HIV and AIDS), medical condition (including genetic characteristics or cancer), veteran or military status, family or medical leave status, genetic information, or sexual orientation. Neither Party shall establish or permit any such practice(s) of discrimination with reference to this Agreement or any part of it. Parties determined to be in violation of this section shall be deemed to be in material breach of this Agreement.

The Parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin in the performance of this contract. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.
44. Modification of Agreement - The Parties may agree to modifications, amendments, or additions to this Agreement only by mutual written consent sign by the Parties.
45. Severability - Should any part of this Agreement be declared in a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the
authority of either Party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be reasonably interpreted to give effect to the intentions of the parties.
46. Controlling Law - This Agreement shall be governed by the laws of the State of California.
47. District Right to Terminate Water Service - It is understood and agreed that this Agreement shall in no way restrict or limit the District's right to terminate water service.
48. No Waiver - The District's waiver of the performance of any covenant, condition, obligation, representation, warranty or promise in this agreement shall not invalidate this Agreement or be deemed a waiver of any other covenant, condition, obligation, representation, warranty or promise. The District's waiver of the time for performing any act or condition hereunder does not constitute a waiver of the act or condition itself.
49. Signatories Authorized - This Agreement has been executed by the respective Parties through their respective authorized personnel. Multiple copies of this Agreement may be executed by the Parties and the Parties agree that the Agreement on file at the District is the version of the Agreement that shall take precedence should any differences exist among counterparts of the Agreement.
50. Interpretation - This Agreement shall be deemed to have been prepared equally by all of the Parties, and the Agreement and its individual provisions shall neither be construed nor interpreted more favorably for one Party on the basis that the other Party prepared it.
51. Headings - The headings used in this Agreement are for reference purposes only and do not constitute substantive matters to be considered in construing the terms of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized personnel.

## CITY OF ALAMEDA


Date: $\qquad$

Approved as to Form:


Andrico Q. Penick Assistant City Attorney

## EAST BAY MUNICIPAL UTILITY DISTRICT



Michael J. Wallis
Director of Operations \& Maintenance

A. Map of Alameda Point
B. Map of Reuse Area and Development Area in Alameda Point
C. Phasing Plan in Reuse Area
D. Feasibility Study for Phasing Plan in Reuse Area
E. System Capacity Charge and Wastewater Capacity Fee Credit Program
F. Notification and Disclosure Letter

Referenced Document not included as an Exhibit and not incorporated into this Agreement
G. Short Term Agreement to Provide Services

EXHIBIT B


Exhibit D - Table 1
Summary of Reuse Proceeds and Water System Replacement Costs by Phase
Feasibility Study for Reuse Area

|  |  | PHASE 1 |  | PHASE 2 | PHASE 3 | TOTAL |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | :--- |
|  |  |  |  |  |  |  |  |  |

Exhibit D - Table 2
Reuse Proceeds by Property
Feasibility Study for Reuse Area

| Bldg \# | Tenant/ <br> Property Owner | Property <br> Address | Estimated <br> Closing Date | Reuse Proceeds/ <br> Purchase Price |
| :--- | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| Building 9 | 651 W. Tower, LLC | 651 W. Tower Ave | 2017 | $\$ 5,000,000$ |
| Building 91 | 707 W. Tower, LLC | 707 W . Tower Ave | 2017 | $\$ 3,000,000$ |
| Building 40 | Bladium | 800 W . Tower Ave | 2017 | $\$ 8,000,000$ |
| Building 8 | Alameda Point Redevelopers | 2350 Saratoga St | 2018 | $\$ 8,500,000$ |
| Building 21 | St. George Spirts | 2601 Monarch St | 2020 | $\$ 8,000,000$ |
| Building 23 | Natel Energy | 2401 Monarch St | 2021 | $\$ 8,000,000$ |
| Building 41 | Wrightspeed | 650 W Tower Ave | 2021 | $\$ 8,000,000$ |
| TOTAL |  |  |  | $\$ 48,500,000$ |

Exhibit D - Table 3
Water System Replacement Costs by Phase
Feasibility Study for Reuse Area

| Phase | Water System <br> Replacement Costs |  |
| :--- | ---: | ---: |
| Phase 1 | $\$$ | $5,552,000$ |
| Phase 2 | $\$$ | $5,902,000$ |
| Phase 3 | $\$$ | $2,974,000$ |
| TOTAL | $\$$ | $14,428,000$ |

* Engineering estimates provide by Carlson, Barbee \& Gibson, civil engineers. See attached.


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## ALAMEDA POINT <br> ADAPTIVE REUSE BACKBONE INFRASTRUCTURE - PHASE 1 <br> ENGINEER'S PRELIMINARY CONSTRUCTION COST ESTIMATE <br> EBMUD RELATED COSTS <br> ALAMEDA, CALIFORNIA

May 11, 2017

| Item | Description | Fee | Amount |  |
| :---: | :---: | :---: | :---: | :---: |
| EBMUD RELATED COSTS |  |  |  |  |
| 1 | 12" Pipeline \& Materials | \$55.38 / LF x 8500 LF | \$ | 470,730 |
| 2 | 16" Pipeline \& Materials | \$75.88/LF $\times 0$ LF | \$ | - |
| 3 | Main Extension - Design and Inspection Fee | \$4184 + \$45 / LF $\times 8500$ LF | \$ | 386,684 |
| 4 | Fire Hydrant Materials | \$3160/hydrant $\times 17$ hydrants | \$ | 53,720 |
| 5 |  | \$16/LF $\times 40$ LF $\times 17$ hydrants | \$ | 10,880 |
|  | Potable Water Service Installation 10,880 |  |  |  |
|  | 1" - Public Irrigation (Assume 1 every 0.33 Miles) | \$6193 / unit $\times 5$ units | \$ | 30,965 |
|  | $1{ }^{\prime \prime}$ | \$6193/unit $\times 5$ units | \$ | 30,965 |
|  | 2 " | \$7301/ unit x 4 units | \$ | 29,204 |
|  | $3{ }^{\prime \prime}$ | \$23892 / unit $\times 6$ units | \$ | 143,352 |
|  | 4" | \$25885 / unit $\times 0$ units | \$ | 13,352 |
| 6 | Private Fire Service Installation |  |  |  |
|  | $6{ }^{\prime \prime}$ | \$20830 / unit $\times 3$ units | \$ | 62,490 |
|  | 8" | \$28893 / unit $\times 14$ units | \$ | 404,502 |
| 7 | System Capacity Charge (Potable) |  |  |  |
|  | 1 " - Public Irrigation | \$59920 / unit $\times 5$ units | \$ | 299,600 |
|  | $1{ }^{\prime \prime}$ | \$59920 / unit $\times 5$ units | \$ | 299,600 |
|  | 2" | \$200000 / unit x 4 units | \$ | 800,000 |
|  | $3{ }^{\prime \prime}$ | \$300000 / unit $\times 6$ units | \$ | 1,800,000 |
|  | $4{ }^{\prime \prime}$ | \$400000 / unit x 0 units | \$ | 1,800,000 |
|  | Master Meter | \$0/unit $\times 4$ units | \$ | - |
| 8 | System Capacity Charge (Potable) - Credit or Payment Amount by Private Property Owner |  |  |  |
|  | 1 " - Public Irrigation | - \$59920 / unit x 0 units | \$ | - |
|  | $1{ }^{\prime \prime}$ | - \$59920 / unit $\times 5$ units | \$ | $(299,600)$ |
|  | 2 " | - \$200000 / unit x 4 units | \$ | $(800,000)$ |
|  | $3{ }^{\prime \prime}$ | -\$300000 / unit $\times 6$ units | \$ | $(1,800,000)$ |
|  | 4" | - $\$ 400000 /$ unit $\times 0$ units | \$ | (1,80,000) |
|  | Master Meter | -\$0/ unit $\times 4$ units | \$ | - - |
| 9 | EBMUD Bond | 1\% of Water Costs | \$ | 18,610 |
| 10 | Account Fee - Public Irrigation Services | \$52/ unit $\times 5$ units | \$ | 260 |
|  |  | total ebmud related costs <br> (to the nearest $\$ 1,000$ ) | \$ | 1,941,962 |
| 51940 | = See Included Costs on Previous Sheet | 25\% CONTINGENCY | N.I.C. |  |
|  |  | TOTAL EBMUD RELATED COSTS <br> (to the nearest $\$ 1,000$ ) | \$ | 1,942,000 |



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## ALAMEDA POINT <br> ADAPTIVE REUSE BACKBONE INFRASTRUCTURE - PHASE 3 <br> ENGINEER'S PRELIMINARY CONSTRUCTION COST ESTIMATE <br> EBMUD RELATED COSTS <br> ALAMEDA, CALIFORNIA

May 11, 2017
Job No.: 1087-010


## Exhibit E-SCC Credit and SCC Payment

Consistent with this Agreement, at the time the City installs new EBMUD water mains at the frontage of the subdivided parcel, 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 an SCC credit by eliminating the three EBMUD master water meters currently serving the Point. However, the City's redevelopment plan is atypical in that it will be completed on a gradual and staggered basis, and will require the existing three EBMUD master water meters to continue to serve the Point until the City has completed its redevelopment plan. More specifically, the City's redevelopment plan calls for the gradual transition of water use from the three EBMUD master water meters to the individual new water meters serving each future parcel, which varies from the normal redevelopment process where the existing meter is killed and credit is given soon after the new meters are installed. 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.

Due to the Point's unique redevelopment plan, water services for the existing tenants of the Point must remain in service for on-going fire protection and domestic use until ALL services are transferred to a new District water main. This prohibits any of the master meters from being removed from service during the transition period and to determine an accurate and fair SCC credit; consequently, the District is providing the City with an SCC credit for the existing three EBMUD master water meters upon execution of the Water Infrastructure Agreement. Consistent with EBMUD Regulations, the SCC credit for the existing three master meters will be established based on the past 10-year historical average water use from the effective date of the Water Infrastructure Agreement, rather than from the date when the three existing meters are actually removed from service. This is a ONE-TIME SCC credit being granted to the City and NO additional SCC credit shall be granted. The District will allow the City to bank its SCC credit and to distribute the credit to parcels within the Point, as it sees fit. The banked SCC credit will be valid for 20 years. At the end of the 20year period, any SCC credits remaining will be forfeited. The SCC credit and City assignment will be tracked by the District's New Business Office.

In accordance to the effective date of the Water Infrastructure Agreement, the SCC credit based on the past 10 -year historical average annual water demand in gallons per day (Schedule J - Paragraph A3 and G) is estimated as follows:

| Meter No. | 10-year <br> historical <br> average annual <br> demand, gpd | SCC <br> Region | Regional <br> Facilities <br> Buy-in | System- <br> wide Buy- <br> in | Future <br> Water <br> Supply | Total SCC <br> Unit Charge <br> (\$/100gpd) | *Estimated <br> Valuation of SCC <br> Credit |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 14586611 | $\mathbf{8 , 6 0 8}$ | 1 | $\$ 2,027$ | $\$$ | 2,032 | $\$$ | 1,920 | $\$$ |
| 16776621 | $\mathbf{2 7 2 , 2 1 7}$ | 1 | $\$ 2,027$ | $\$$ | 2,032 | $\$$ | 1,920 | $\$$ |
| 70074325 | $\mathbf{4 6 , 2 3 3}$ | 1 | $\$ 2,027$ | $\$ 2,032$ | $\$$ | 1,920 | $\$$ | 5,979 |
| Credit | $\mathbf{3 2 7 , 0 5 8}$ |  |  |  |  |  |  |  |

## Assignment of SCC Credit:

The City may assign a portion or all of the SCC credit to subdivided parcels within the Point before deed recordation. No SCC credit may be assigned to parcel(s) after the deed recordation. The amount of assigned SCC credit will be deducted from the total SCC credit available to the City, and will at no time exceed the total established SCC credit. Assignment of SCC credit and collection of SCC 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 SCC credit being assigned, if any, to the sold parcel, prior to deed recordation. Once the deed is recorded, the amount of the SCC 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 service and establish new service, including any required supporting documents, in accordance with EBMUD Regulations:

- Upon receiving an application for water service and required supporting documents from the City, the District shall size water service in accordance with the proposed water demand and determine the associated SCC consistent with the District's Schedule of Rates and Charges in effect.
- If there is an assigned SCC credit (as determined by the City) to the parcel that is sufficient to offset the SCC payment for the proposed water demand, no SCC will be collected.
- If there is no assigned SCC credit to the parcel, or the assigned SCC credit does not sufficiently offset the SCC payment for the proposed water demand, the District will collect from the City the SCC amount owed to initiate service determined by an assessment of the water demand. The SCC is due and payable; net any SCC 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 water service changes.
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 SCC 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 for the purpose of determining the SCC 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 SCC payment, net any SCC credit assigned to the sold parcel by the City, is due and payable to the District.
- The District will hold the SCC 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 SCC 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. The District shall validate the water service in accordance with the required water demand. If a larger water meter is required due to a change in use, additional SCC 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. 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 water service changes.


## 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 SCC based on the demand assessed for the water service, net of any SCC 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 SCC payment due, if any, in accordance with EBMUD Regulations:

- Upon receiving an application for water service and the required supporting documents including the parcel's anticipated water demand from the City, the District shall size water service in accordance with the proposed water demand and determine the associated SCC payment. The application for water service will not be considered complete without written confirmation from the City of any SCC credit that is assigned to that parcel.
- The total SCC due will be determined based on an assessment of the water demand and 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 than the meter that has been installed due to expanded water use, additional SCC will be assessed based on the size of the new service consistent with the District's Schedule of Rates and Charges in effect. Additional SCC 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 water service changes.
B. City-owned parcels served by the private water system are not subject to SCC payments until connecting to the newly installed District water system. The City may assign a portion or all of the SCC 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. An SCC 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 an SCC credit may not be reassigned an additional SCC credit after the parcel has been transferred.
3. The SCC 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. As set forth above, the City shall be responsible for paying SCC that is not covered by the assigned SCC credits. The City shall provide to the District in writing the SCC payment method as a part of the application for water service. SCC payment dues may be satisfied by any one or a combination of the following:

- Assignment of additional SCC credit by the City, if any remaining, prior to deed recordation
- SCC payment submitted by the City
- SCC payment submitted by the new property owner

5. Upon completion of the water main extension by the City, the City is responsible for establishing water service to parcels fronting the new water main with EBMUD by either transferring of a District approved water service (applicable only to existing water services installed by the District) from the City's private water system to the EBMUD water mains or installation of new water services. Service transfers and new service installations will completed by the District at the City's expense.
6. For each application for water service submitted to EBMUD, the City shall provide the following documents to support the sizing of the water service. EBMUD will validate the water demand data submitted by the City to determine the associated SCC payment for an existing building or at buildout of a proposed renovation/new project.

- Existing Buildings:
- An official survey of the building's existing plumbing fixture counts to support the water demand assessment
- Building plans, if available, and detail description of the building use (business type, total square footage, and known existing and anticipated future amenities)
- Estimated current water demand for building with no planned improvements or projected water demand for building with planned improvements
- Written statement indicating if building will continue to operate in its current condition or identify planned improvements that could alter water demand
- Renovated Buildings:

Alameda Point - SCC Credit and SCC Payment
Page 4

1. Projected water use at final build out (average annual water demand expressed in gallons per day)
2. Building plans and detailed description of the building use (business type, total square footage, and known amenities)
3. Plumbing plans and the total plumbing fixture counts for the building to support the calculations to size water meter and determine the associated SCC payment
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. The City is responsible for notifying all new and potential owners, in writing, the water service requirements outlined within this document.

## 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 <br> Average Annual <br> Peak Month (ccf) | Total WCF Unit <br> Charge (\$/ccf/mo) | *Estimated <br> Valuation of WCF <br> Credit |
| :--- | :---: | :---: | :---: |
| 14586611 | $\mathbf{9 4 4}$ | $\$ 321$ | $\$ 302,930$ |
| 16776621 | $\mathbf{1 9 , 1 6 2}$ | $\$ 321$ | $\$ 6,151,128$ |
| 70074325 | $\mathbf{3 , 4 7 5}$ | $\$ 321$ | $\$ 1,115,349$ |
| Credit | $\mathbf{2 3 , 5 8 1}$ |  | $\$ 7,569,407$ |

## 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.


# EXHIBIT F - Letter from City to Potential Property Owner(s) 

## DATE

## NAME OF POTENTIAL PROPERTY OWNER ADDRESS OF POTENTIAL PROPERTY OWNER " <br> "

## Re: Alameda Point Potable Water System Advisement and Acknowledgement

Dear <Name of potential property owner>:
This letter is an important advisement regarding the Alameda Point Potable Water System ("water system") and planned improvements.

Alameda Point's water system was designed, installed and operated by the Navy. Water was supplied by East Bay Municipal Utility District ("EBMUD"). However, the water system infrastructure at Alameda Point was neither built, nor maintained to the standards of EBMUD. EBMUD does not own the water supply system, and the water system at Alameda Point does not meet EBMUD standards. By purchasing property at Alameda Point, you will not automatically become a customer of EBMUD and until the water supply systems is brought up to EBMUD standards, you cannot become an EBMUD customer, nor will you have any legal access to water from EBMUD.

The City of Alameda is committed to replacing the water infrastructure at Alameda Point. To that end, the City has entered into a phased water system infrastructure agreement with EBMUD, so that at a point in the future the Alameda Point water system will meet all requirements set forth in EBMUD's Regulations Governing Water Service and you will be able to become a customer of EBMUD. These requirements include the establishment of proper frontage on a District water main, compliance with all water efficiency requirements, and payment of all fees. Looped water mains that connect to EBMUD's existing water supply system must be installed and System Capacity Charges must be paid. If the looped water mains are less than 1,000 feet, EBMUD forces must be retained to perform the main installation work. Once the City has met its duties under the water system infrastructure agreement, you will be able to apply to become a customer of EBMUD.

Please indicate below, by signing and dating the original of this letter, that you have read and understood the contents of this letter. Please retain a copy of this letter for your files and return the signed and dated original to us by <insert date>. If you have any questions concerning this advisement, please feel free to contact <insert name and title> at the City of Alameda at <insert contact information>. Thank you.

Very truly yours,
Name of Signee
Title
City of Alameda

I have read and understand the contents of the above letter concerning Alameda Point's Potable Water System.

