Attachment '2'

CAPACITY PURCHASE AGREEMENT RELATING TO THE OLIVEHURST PUBLIC UTILITY DISTRICT WASTEWATER TREATMENT PLANT

THIS CAPACITY PURCHASE AGREEMENT RELATING TO THE OLIVEHURST PUBLIC UTILITY DISTRICT WASTEWATER TREATMENT PLANT (the "Agreement") is made effective as of the ___ day of , ____2026, by and between the **CITY OF WHEATLAND**, a municipal corporation duly organized and existing under the laws of the State of California (the "City") and the **OLIVEHURST PUBLIC UTILITY DISTRICT**, a public utility district duly organized and existing under the laws of the State of California (the "District"). The District and the City may be referred to together herein as the "Parties".

RECITALS

WHEREAS, the District and the City each currently own, operate, and maintain separate facilities for the collection and treatment of wastewater in their respective service areas, and the District owned Wastewater Treatment Facility ("Facility") is located at 3908 Mary Avenue, Olivehurst, California, and which is capable of accepting flows from the City; and

WHEREAS, the City's existing wastewater treatment plant is not sufficient to meet anticipated regulatory requirements or the City's anticipated growth, and

WHEREAS, in order to safeguard water quality in the region, protect the environment, and promote the health, safety, and general welfare of both the District and the City, the Parties have determined it is in their mutual best interests to develop a regional approach to wastewater treatment and conveyance in South Yuba County; and

WHEREAS, in furtherance of the foregoing objectives, the Parties are working collaboratively to design, plan and construct conveyance systems in their respective service areas capable of delivering 1.5 million gallons per day (MGD) average dry weather flow and 3.3 MGD peak flow from City's existing WWTP to the Facility. The conveyance systems consist of City owned and operated segments exclusive to the City, and also OPUD owned and operated segments to be shared by the Parties ("Shared Conveyance System"); and

WHEREAS, the District warrants that the Facility has adequate existing and future expansion capacity to receive and treat the City's flow under the terms and conditions set forth herein; and

WHEREAS, the City desires to purchase and secure capacity in the Facility according to the terms and conditions set forth herein; and

WHEREAS, the City and the District will enter into a separate Wastewater

Treatment an Operations Agreement addressing the Parties' responsibilities related to the operations, maintenance and treatment costs associated with the Facility; and

WHEREAS, the City and the District shall equitably share in the allocation of available treatment capacity, capital costs and repair and replacement costs of the Facility under the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, the Parties hereto agree as follows:

1. Purpose and Intent of Agreement

(A) The purpose and intent of this Agreement is to (1) provide for the City's purchase of Initial Purchased Capacity in the Facility of .40 MGD, and to provide for the purchase of additional Capacity by the City up to a guaranteed total amount of 1.5 MGD average annual dry weather flow and 3.3 MGD peak flow capacity in the Facility (including the Shared Conveyance System); (2) allocate between the Parties the costs of Capital Repair and Replacement Projects and Capital Projects; and (3) allocate the District's and City's use of the wastewater treatment capacity of the Facility.

(B) The Parties further intend that their total respective financial contributions to Capital Improvement Projects and Capital Repair and Replacement Projects (whether funded by Capacity Charges, grant funding, bond financing or otherwise) shall be proportional to their respective actual capacity purchased in the Facility (as such as may be expanded in the future, either through technological treatment advances or the construction of additional capacity).

(C) This Agreement sets forth the rights and responsibilities of the Parties with respect to the City's purchase of 1.5 MGD in treatment Capacity in the Facility in the manner described below. Nothing herein shall obligate the City to purchase or participate in the financing of any future expansions of the Facility. If the City chooses to participate in any future Facility expansion, then such participation (if any) shall be governed by a future written agreement to be negotiated between the Parties.

2. Term and Termination

Term. This Agreement shall be effective as of the date first above written and shall remain in effect for the full useful life of the Facility unless earlier terminated by the Parties pursuant to this Section.

Early Termination. This Agreement may be terminated before the expiration of

the Term by mutual agreement of the Parties. Upon termination of this Agreement, unless otherwise agreed by the Parties,the City shall be responsible for the payment of any outstanding O&M Costs owed by the City to the District. Payment reconciliation shall be made over a period of time agreed to by the Parties.

Termination in the Absence of Sufficient State Revolving Fund Participation. This Agreement is contingent upon the Parties' receipt of anticipated grant and forgivable loan funding from the California Clean Water State Revolving Fund ("SRF") administered by the California State Water Resources Control Board, in an amount sufficient to support this Agreement, and in any event not less than $75,000,000. In the event such funding is not received, this Agreement shall automatically terminate and neither Party shall have any further obligation hereunder.

Conditions Precedent. This Agreement is expressly conditioned upon the completion of a rate analysis and rate stabilization method satisfactory to the City, and the City's satisfaction with the condition of the Facility upon completion of a condition assessment. These conditions are satisfied only by the delivery of an executed waiver of conditions precedent by the City approved by a resolution adopted by the City Council. If the City declines to deliver the waiver of conditions, then this Agreement shall automatically terminate and neither Party shall have any further obligation hereunder.

3. Responsibilities of the District and the City

(A) The District shall be responsible for the planning, permitting (including all necessary environmental compliance), design, expansion and construction of the Facility, the Shared Conveyance System for the mutual benefit of the District and the City. The District guarantees and ensures that, upon the City providing reasonable and sufficient notice for planning, construction and design work, sufficient Capacity in the Facility, Shared Conveyance System will be available to the City to meet the City's 1.5 MGD (including 3.3 MGD of peak flow capacity) of current and anticipated treatment capacity demand contemplated in this Agreement.

(B) The District shall operate and maintain the Facility for the mutual benefit of the District and City, so long as the City pays its proportionate share of the amounts required to be paid under this Agreement and the Treatment and Operations Agreement. The District shall be entitled to be reimbursed by the City for its proportionate share of Operation and Maintenance Costs (as determined pursuant to the terms of the Treatment and Operations Agreement).

(C) The City shall be obligated to make an initial payment to the District for .40 MGD (1,739 EDUs at 230 GPD per EDU) of estimated initial plant capacity, which is anticipated to account for the diversion of existing City wastewater flows and existing City commitments for treatment to the Facility. This amount may be adjusted prior to commencement of District treatment of City wastewater. Thereafter, the City shall be obligated to pay to the District its then-existing connection fee for each additional EDU connected, up to a guaranteed amount of 1.5 MGD. The City shall be entitled to the use of this Capacity for connections within or outside of the City's jurisdictional boundary (as such may be changed from time to time).

4. Local Service Areas; Initial Purchased Capacity at the Facility; Purchase of Additional Capacity; Use of Shared Conveyance System; Future Facility Expansions; Establishment of Joint Planning Advisory Committee; Effect of Insufficient Capacity Prior to Expansion; Existing Developer Prepayment Agreements

(A)

Each of the Parties has the responsibility to provide Local Services within its Local Service Area according to its own rules. Capacity for such service by the City is limited by the portion of the total Facility Capacity allocated to the City by this Agreement and any amendments.

(B) The City shall purchase up to .40 MGD (based on Average Daily Dry Weather Flow) of Initial Purchased Capacity based upon its anticipated initial flows to the Facility upon connection, calculated at the District's connection fee per EDU in effect at the time of connection. The City shall adopt the same definition of EDU (including waste strength) as used by the District. Payment shall be made to the District no later than at the time of connection of the City's existing wastewater flows to the District at the Point of Delivery. If the available Capacity at the time of purchase is less than 1.5 MGD, then the City's Initial Purchased Capacity shall be limited to 50% of the remaining Capacity. This Initial Purchased Capacity is exclusive to the City for the duration of this Agreement and may not be diminished as a result of any additional connections to the Facility, including the Shared Conveyance System, by any other party.

(C) The City and District anticipate the City sending up to 1.5 MGD to the Facility based on the City's conveyance capacity in the City's conveyance system and Shared Conveyance System. The District guarantees that this capacity, purchased after Initial Purchased Capacity, shall be made available to the City as First Come, First Served Capacity as defined in this Agreement, upon the City's payment of the District's connection fees in effect upon the City's

issuance of a building permit for each EDU (or portion thereof) to be connected, whether such Capacity is currently available or made available by the District's expansion of the Facility's Permitted Capacity, up to a maximum total use by the City of 1.5 MGD of Capacity. Each additional EDU purchased by the City under this section shall be included in the City's Purchased Capacity total, and shall be for the exclusive use of the City for the duration of this Agreement. Once Capacity is expanded beyond the current 3.0 MGD Capacity, any new connections from the District or the City will pay the District's connection fee then in effect on a first come, first served basis. All will-serve letters issued by the City and the District will clearly state that connection is made on a first come, first served basis upon the issuance of a building permit. After the City's Initial Capacity Purchase, neither Party will permit any customer to purchase and reserve Capacity in advance of the issuance of a building permit.

(D) Notwithstanding anything to the contrary herein, the total financial obligation of the City for the purchase of Capacity under this Agreement is limited to: 1) the cost of its Initial Purchased Capacity; 2) payment of the District's connection fee per EDU then in effect upon the City's connection of additional EDUs totaling 1.5 MGD of Capacity; and 3) the City's proportionate share of CRRP. Absent the express, written agreement of the Parties, the cost of any expansion required to ensure the availability of 1.5 MGD of Capacity to the City, which exceeds the City's financial obligation described in this section, shall be borne exclusively by the District.

(E) (E) The Parties acknowledge that the 1.5 MGD capacity in the Shared Conveyance System has been sized to accommodate the City's anticipated long term growth. Additionally, the Shared Conveyance System has been upsized sufficiently, between pump station 21 and the OPUD WWTF to convey the additional waste streams generated by others from the 40 Mile and Rancho Road corridors.

(F) The District may not enter into any agreement with another party or take any action that would decrease the City's entitlement to the use of 1.5 MGD of Capacity in the Facility or Shared Conveyance System. As of the effective date of this Agreement, the Parties' Initial Purchased Capacity and First Come, First Served Capacity as a percentage of the total Permitted Capacity of the Facility is as follows:

Facility Treatment Capacity Allocation Average Dry Weather Flow Million Gallons per Day		
	Initial Purchased Capacity and FCFS Capacity*	Percentage of Total Treatment Capacity
District	1.7_MGD	57 %
City	.40 MGD	13 %
FCFS Capacity	.90 MGD	30 %
Total	3.0 MGD	100%

* The allocated treatment capacity expressed in millions of gallons per day is based on the rated treatment capacity of the Facility as of the date of this Agreement 3.0 MGD. If the rated treatment capacity changes for the Facility, District and City will meet and confer concerning the appropriate wastewater treatment capacity allocation for each Party. FCFS – First Come First Served

Planning for the expansion of the Facility shall begin when the Average Daily Dry Weather Flows reach 75 of the Facility's Permitted Capacity, when either Party is using 50% or more of their Initial Purchased Capacity or when growth projections indicate a need to begin planning for an expansion. Planning, design and construction of expansion or improvement of Capacity to meet the District's obligation to provide 1.5 MDG of Capacity to the City shall be at the District's sole expense. The District shall notify the City of its intention to begin planning and design of Capacity expansion.

(G) Any future expansions of the Facility in which the City chooses to participate (including increases in its Permitted Capacity) shall take into account the City's anticipated growth projections, which shall be incorporated in the design and planning process for the Facility expansion and any additional Jointly Owned Infrastructure which may be required in connection therewith. The City and District agree to work collaboratively with the County of Yuba to plan for future plant capacity needs as determined by projected growth in the City's and District's service areas.

(H) Upon the effective date of this Agreement and throughout its

Term, the District and the City shall each designate two elected representatives (two from the City Council and two from the District Board of Directors) to serve on a Joint Planning Advisory Committee for the purpose of reviewing Facility usage and participating in discussions with District and City staff regarding anticipated growth, Facility expansions, upgrades and anticipated Capital Repair and Replacement Projects. The Joint Planning Advisory Committee shall meet with City and District staff quarterly each year. The Joint Planning Advisory Committee is an advisory committee only and shall have no independent jurisdiction over the ownership and management of the Facility, which is reserved to the District. On the third anniversary of this Agreement, the Joint Planning Advisory Committee, in consultation with each of the City Council and District Board of Directors, shall engage in discussions concerning the potential formation of a joint powers authority to facilitate the financing and expansion of regional wastewater treatment facilities serving the City and the District.

(I) At such time as insufficient capacity remains in the Facility to treat additional flows, the District shall impose a moratorium on additional connections, pending the expansion of treatment capacity. Any moratorium necessitated by an exhaustion of treatment capacity shall apply equally and simultaneously to the District, the City and any future participants in the Facility. Notwithstanding the foregoing, no such moratorium shall apply to the City unless and until the City's Capacity usage has reached 1.5 MGD. In the event that treatment Capacity is not available for the City to connect additional EDUs up to 1.5 MGD as guaranteed by this Agreement and subject to section 3. A. above, then the District and City shall agree to the immediate formation of a joint powers authority to govern the Facility and Shared Conveyance System and their respective capacities, and provide for the financing and expansion thereof.

(J) The District has executed connection fee prepayment agreements with certain developers, whereby in exchange for a lump sum prepayment of connection fees at the District's rates per EDU in effect in 2004, such developers are entitled to connect to the Facility at any time in the future on a first come, first served basis without payment of an additional fee. The District warrants and represents that such prepayment agreements confer no additional entitlement to treatment capacity on the signatories thereto, and that the existence of such prepayment agreements in no way impairs or prevents the District from entering into this Agreement and committing itself to the described obligations for the benefit of the City. This District agrees to defend, indemnify and hold harmless the City from and against any and all claims or litigation that may be brought by such signatories (including their successors and assigns) or arising out of such prepayment agreements, to the extent any challenges are made to the enforceability of this Agreement and the allocation of Capacity to the City under the terms and conditions set forth herein.

5. Capital Repair and Replacement Project (CRRP) Costs

(A) CRRP Costs are for Capital Improvement Projects at the Facility that involve an asset specifically used to provide treatment and conveyance of the City's Wastewater. These are costs for projects that are not otherwise included in O&M Costs. The Joint Planning Advisory Committee will review on an annual basis the District's plan for CRRP within the next five (5) years of each review, in order to prepare for how such CRRP will be funded. Prior to the execution of this Agreement, District shall provide City a five-year projection of CRRP, which is incorporated by reference herein as Exhibit B. The District, at its sole cost and expense, may (but is not required to) engage a consultant to review the condition of the Facility to provide an opinion on the District's ability to meet the conditions of this Agreement.

(B) Prior to receiving the City's flows, the District will complete a rate analysis for sewer treatment which will be funded equally by the City and the District. That rate analysis will include a factor for CRRP based on the total number of connections expected during the rate cycle, including both projected District and City connections. The total cash value of all treatment plant CRRP costs included in the rate analysis will be spread equally across the entire combined rate base of the District and the City.

(C) The City agrees to include in its own rate for sewer treatment the same treatment plant CRRP factor used by the District. The City will transfer the amount collected for CRRP with each periodic payment to the District to be credited to the City's CRRP share.

(D) The Parties agree that the City and District will each be responsible for their respective share of CRRP related to the Shared Conveyance System which will be calculated based upon average actual flow over the previous calendar year. The projected basis for CRRP will be agreed to by both Parties, and the Parties shall include that amount *pro rata* in the calculation of both their respective sewer collection rates and sewer collection impact fees. The City will transfer the amount collected for Shared Conveyance System CRRP with each periodic payment to the District. The City and District will each be responsible for their proportionate share of CRRP based upon actual capacity usage in the Shared Transmission Main.

(E) Before commencement of a CRRP, the District shall meet and confer with the City regarding its intent to commence a CRRP project if the District expects the City to share in the cost for such project. The District shall supply the City with sufficient information, as determined by the City, to establish that the project is, in fact, a CRRP for the Facility (for which the City

shall be responsible for the payment of its pro rata share) and not a Capital Improvement Project, for which the City is not financially obligated absent the City's express written consent

(F) Prior to the District incurring costs for a CRRP which is subject to contribution by the City pursuant to this Agreement, the District shall provide a description of the project, including an explanation of the association of the project to assets at the Facility supportingWastewater service to the City, the total cost of the project, and when the project is anticipated to be completed.

(G) The City's Proportionate Share of approved CRRP Costs shall be calculated based on the ratio of the City's Purchased Capacity versus the Permitted Capacity of the Facility. If any form of grant funding shall be available for the project that the District shall not be required to repay, the Parties agree that the grant funding contribution shall be subtracted from the project cost prior to the calculation of the City's Proportionate Share of the cost.

(H) The City is not obligated to pay a Proportionate Share of any CRRP if the District fails to provide the City with this information as required by this Agreement. Notwithstanding the foregoing, the District retains exclusive authority and management over all CRRP and CIP projects regarding the Facility.

Accordingly, as of the date of this Agreement each Party's Proportionate Share shall be as follows:

Party	**Proportionate Share**
City:	13.3 %
District:	86.7 %
TOTAL:	100%

The foregoing initial percentages shall be adjusted to reflect each Party's current Purchased Capacity in order to allocate each Party's Proportionate Share of a CRRP project.

(I) The City agrees to maintain a separate CRRP fund for purposes of paying its fair share of CRRP costs.

(J) All CRRP Costs are subject to adjustment based on the District's audited financial statements.

6. Miscellaneous

(A) Insurance. Each Party covenants that it shall at all times maintain such insurance on its Collector Sewer System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. No Party shall be required to maintain earthquake insurance. If any useful part of the Collector Sewer System shall be damaged or destroyed, such part shall be restored to use. The net proceeds of insurance against accident to or destruction of the Collector Sewer System shall be used for repairing or rebuilding the damaged or destroyed portions of the Collector Sewer System (to the extent that such repair or rebuilding is determined by the Party to be useful or of continuing value to the Party's System) and to the extent not so applied, shall be applied as the Party determines. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Party, or may be in the form of self-insurance by the Party or participation in a joint powers insurance authority or similar risk pool. The Party shall establish such fund or funds or reserves as are necessary to provide for its share of any such self-insurance.

(B) Relationship of Parties. This Agreement is not intended to and shall not be construed as creating a new joint powers authority or other entity, or relationship of joint venturers, partners, or employer-employee between the Parties. Each Party shall make its personnel and resources reasonably available as required to achieve the purposes of this Agreement.

(C) Entire Agreement. This Agreement and each of the attachments referred to herein, which are incorporated by this reference, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements and/or obligations concerning these obligations which are merged into this Agreement. Each Party has made its own independent investigation of the subject matters of this Agreement and is not relying upon any representation not specified herein.

(D) Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then the legality, validity and enforceability of the remaining provisions of this Agreement will not be affected thereby; and in lieu of each such illegal, invalid or unenforceable provision, there will beadded automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and which will be legal, valid and enforceable.

(E) Headings for Convenience Only. The headings, subheadings, and captions contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the

provisions of this Agreement.

(F) Construction of Agreement. This Agreement is the product of negotiation and preparation between the Parties and their representatives, and the Parties agree that this Agreement shall not be deemed to have been prepared or drafted by any one party. Accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

(G) Modification of Agreement. This Agreement may not be modified, amended, changed, or terminated, unless otherwise expressly provided herein, in whole or in part, except by an agreement in writing duly authorized and executed by both Parties.

(H) Waiver; Cumulative Rights. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by a Party of any breach of any provision of this Agreement shall not constitute, operate as, or be construed to be a continuing waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The single or partial exercise of a right held by any Party shall not preclude any other or future exercise thereof or the exercise of any other right.

(I) Equitable Relief. Given the important public policy considerations underlying this Agreement involving the health, welfare and safety of the Parties' residents, the District and the City acknowledge and agree that money damages alone are inadequate, and that either Party hereto may obtain equitable and injunctive relief to enforce this Agreement and each of its terms, including specific performance.

(J) Government Authority. The Parties shall comply with any and all applicable federal, state, and local laws, and regulations covering the subject of this Agreement, and any and all valid orders and regulations issued pursuant to any federal, state, or local law, or regulation governing the subject of this Agreement.

(K) Mutual Indemnification. It is understood and agreed that, pursuant to Government Code Section 895.4 and except as otherwise provided by this Agreement, each Party shall fully defend, indemnify and hold each other Party harmless from any liability imposed for injury (as defined by Government Code Section 810.8), and liability of any nature imposed by noncompliance with regulatory requirements (including, but not limited to, accidental wastewater discharges), occurring by reason of anything done or omitted to be done by

said indemnifying Party under or in connection with any work, authority or jurisdiction delegated to said Party under this Agreement. The City agrees that this indemnity provision shall not operate to avoid or limit any City obligation to make payments to the District under this Agreement, except to offset the costs of indemnified liability as provided herein.

(L) Applicable Law. This Agreement shall be construed under and shall be governed by the laws of the State of California. Any action to interpret or enforce any aspect of this Agreement shall be brought in the Superior Court of the State of California in the County of Yuba.

(M) Further Acts. The Parties shall reasonably cooperate with each other and take such further actions as may be reasonably necessary, including any necessary approvals and the

execution of any necessary further documents, to carry out the purpose and intent of thisAgreement.

(N) Notice to Parties. Any notice or other communication given under the terms of this Agreement shall be in writing and shall be given personally, by email, by facsimile, or by certified mail, postage prepaid and return receipt requested. Any notice shall be delivered or addressed to the Parties at the addresses, email addresses, or facsimile numbers set forth belowor at such other address, email address, or facsimile numbers as shall be designated by notice in writing in accordance with the terms of this Agreement. The date of receipt of the notice shall be the date of actual personal service, email confirmation of receipt from the Party receiving email notice, or facsimile transmission with written confirmation of successful transmission, or three (3) days after the postmark on certified mail. All notices required under or regarding this Agreement shall be made in writing addressed as follows:

Olivehurst Public Utility District
1970 9th Avenue
Olivehurst, CA 95961
Attn: General Manager
Facsimile No. 530-743-3023
Email: jtillotson@opud.org

City of Wheatland
111 C Street
Wheatland, CA 95692
Attn: City Manager
Facsimile No. 530-633-9102
Email: bzenoni@wheatland.ca.gov

(O) Binding Effect. This Agreement shall be of binding legal effect only once it has been duly approved and signed by each of the Parties. No rights or duties under this Agreement may be assigned or delegated by a Party to a non-party without the express written consent of the other Party, which may be withheld in the sole and absolute discretion of such other Party. Subject to the

foregoing, this Agreement shall be binding upon and inure to the benefit of the authorized successors and assigns of the Parties.

(P) No Third-Party Beneficiaries. This Agreement does not create, and shall not be construed to create any rights enforceable by any person, partnership, corporation, joint venture, limited liability company, district or other form of organization or association of any kind that is not a party. Without limiting the generality of the foregoing, landowners, developers, residents, water users and ratepayers of the parties are not intended to be third-party beneficiaries of this Agreement.

(Q) Alternative Dispute Resolution. If a dispute arises out of or relating to this Agreement, or the alleged breach thereof, and if said dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by non-binding mediation before commencing litigation. The mediator shall be mutually selected by the Parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each Party. All costs and fees required by the mediator shall be split equally by the Parties, otherwise each Party shall bear its own costs and attorney's fees for the mediation. If mediation fails to resolve the dispute within 60 days after a mediator has been selected and a date set forthe mediation, either Party may pursue litigation to resolve the dispute.

(R) Demand for mediation shall be in writing and delivered to the other Party to thisAgreement. A demand for mediation shall be made within a reasonable time after the claim, dispute, breach, or other matter in question has arisen. In no event shall the demand for mediation be made after the date when institution of legal or equitable proceedings based on such a claim, dispute, breach, or other matter in question would be barred by applicable California statutes of limitations.

(S) Counterparts. This Agreement may be signed in any number of counterparts by the Parties such that the signatures may appear on separate signature pages. Facsimile or other electronic signatures shall be binding in the same manner as originals. A copy or an original, with all signatures appended together, shall be deemed to be a fully executed original Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date provided herein.

OLIVEHURST PUBLIC UTILITY DISTRICT	**CITY OF WHEATLAND**
By:_____	By:
Board President	Mayor
Date Signed:_____	Date Signed:
ATTEST:	ATTEST:
By:_____	By:
Secretary	City Clerk
APPROVED AS TO FORM:	APPROVED AS TO FORM:
By:_____	By:
Counsel for the District	Counsel to the City

Exhibit A

Definitions

"Allocable Operation and Maintenance Costs" or "Allocable O&M Costs" mean all O&M Costs that the City is agreeing to pay a proportionate share under the TOA, and includes all O&M Costs ***other than*** Excluded Costs. The City's share of Allocable O&M Costs attributable to the Facility will generally be determined by evaluating the proportionate share of flow, BOD and TSS from each party. Allocable O&M Costs attributable to the pipeline system will be determined by calculating that portion of flow of the District's Collector Sewer System between the Point of Delivery and the Facility compared to the City's portion of the Average Annual Flow through that portion using agreed-to flow meters for determination of respective flows.

"Authorities Having Jurisdiction (AHJ)" means any state, federal or local regulatory authority (other than the State Water Board or Regional Water Board) having jurisdiction over the District or any District facility (with respect to the District) or over the City or any City facility (with respect to the City).

"Average Annual Flow" or "AAF" is the daily flows of Wastewater averaged over a 365 day period (e.g., total flow for the entire year in millions of gallons divided by 365).

"Average Daily Dry Weather Flow" or "ADDWF" means the flow calculated by computing the average daily influent flow over the ninety (90) day consecutive period with the lowest measured influent flow within the last 365 days.

"BOD" means biochemical oxygenation demand.

"Capacity" means the Wastewater Treatment Facility treatment and disposal capacity in Average Daily Dry Weather Flow, as described in more detail in Section ___ of the Capacity Purchase Agreement. Capacity also includes the capacity required in the Shared Transmission Main and Shared Collector

Sewer System required to convey City Wastewater to the Facility.

"Capacity Purchase Agreement" or "Capacity Agreement" means that certain Capacity Purchase Agreement, dated on or about _____, 2026 between the City and District, including any amendments.

"Capital Improvement Project" or "CIP" means a project that is determined by the District to be a new, fixed asset, generally depreciated over ten years or more, that is primarily intended to increase the System's Permitted Capacity and is not an upgrade required by regulatory requirements.

"Capital Improvement Project Costs" or "CIP Costs" means the costs associated with Capital Improvement Projects. Capital Improvement Project Costs are ***not*** included in Operations and Maintenance Costs.

"Capital Project" means a Capital Improvement Project or Capital Repair and Replacement Project.

"Capital Repair and Replacement Project" or "CRRP" means a project at the System, generally depreciated over ten years or more, that involves repair, renovation, improvement, replacement, upgrade and/or modification that does not expand the Permitted Capacity of the System but that is necessary or appropriate to extend its useful life, maintain Permitted Capacity, preserve it in good, safe, and efficient repair and working order, improve its efficiency, repair damage, or maintain or meet applicable (including new and different) permit, statutory, regulatory and/or other governmental requirements. CRRP does not include projects for the District's potable water system or for any portion of the District's Collector Sewer System not included in the definition of System, or for Capital Improvement Project Costs.

"Capital Repair and Replacement Project Costs" or "CRRP Costs" means the costs associated with Capital Repair and Replacement Projects. Capital Repair and Replacement Project Costs ***are*** included in Operations and Maintenance Costs but are tracked separately by the District.

"City" means the City of Wheatland.

"City Allocable Operation and Maintenance Costs" or "City Allocable O&M Costs" mean the Allocable O&M Costs payable by the City under this TOA.

"City Collector Sewer System" means the City's publicly operated sanitary sewer collection system, including piping, pumping, and in-line treatment facilities appurtenant thereto, whose primary purpose is the collection

of Wastewater exclusively within the service area of the City.

"Direct City Costs" are specific costs incurred by the District on account of acts, omissions, or circumstances attributable to the City, as provided in Schedule 3, for which the City shall be 100% responsible.

"District" means Olivehurst Public Utility District.

"District Collector Sewer System" means the District's publicly operated sanitary sewer collection system, including piping, pumping, and in-line treatment facilities appurtenant thereto, whose primary purpose is the collection of Wastewater exclusively within the service area of the District.

"Equivalent Dwelling Unit" or "EDU" is the typical volume and strength of the Wastewater generated by a single family home built after 2015. As of the Effective Date, one OPUD EDU generates 230 gallons of wastewater per day (during the dry weather season), and includes approximately 0.67 lbs of BOD per day and 0.5 lbs of TSS per day.

"Excluded Costs" are (i) the O&M Costs that the City is ***not*** agreeing to pay any portion under the TOA, and (ii) District costs ***not*** allocated to the System in any fiscal year under the District's customary and proper accounting principles and means the items identified in Schedule 2.

"Facility" means the District's Wastewater Treatment Facility located at 3908 Mary Avenue, Olivehurst, California, including all associated buildings, structures, property, equipment, and facilities owned and controlled by the District, but not including District facilities that make up the District's Collector Sewer System and used to provide Wastewater collection services within the District's jurisdiction.

"First Come, First Served Capacity" (or "FCFS Capacity") means the treatment capacity of the Facility over and above the Initial Purchased Capacity of the City and District, and which is available for purchase by the City or District after the allocation of the Initial Purchased Capacity. Upon the payment of the District's connection fee for the Facility, each EDU of FCFS Capacity shall be included with the purchasing Party's Purchased Capacity.

"I and I" means Infiltration and Inflow.

"Infiltration" means any water entering a Collector Sewer System from the ground through such means as, but not limited to, defective pipes, pipe joints, connections, or manhole walls.

"Inflow" means any water discharged into a Collector Sewer System from such sources as, but not limited to, roof leaders, cellars, yard and area drains, foundation drains, cooling water discharges, drains from springs and swampy areas, manhole covers, cross-connections from storm sewers and combined sewers, catch basins, storm waters, surface runoff, street wash waters or drainage.

"Initial Purchased Capacity" means the initial treatment capacity in the Facility, including capacity in the Shared Transmission Main and Shared Collector System, purchased and used by the City and the District under the terms and conditions set forth in this Agreement, as depicted in the chart in Section 4(F) hereof.

"Local Services" means all District or City services that are necessary or appropriate for the collection, conveyance, and transfer of wastewater originating within the respective jurisdiction of the District or the City to the System.

"Local Service Area" means that area in which a Party has the statutory authority for the collection and transmission of Wastewater, whether inside or outside of its exterior service area boundary.

"MGD" means million gallons per day.

"Operation and Maintenance" or "O&M" means the management, operation, maintenance, repair, replacement (including Capital Repair and Replacement Projects but excluding Capital Improvement Projects), inspection, and other actions necessary or appropriate to operate and maintain the System in good, safe, and efficient repair and working order.

"Operation and Maintenance Costs" or "O&M Costs" include all costs allocated to the System in any fiscal year under the District's customary and proper accounting principles, including without limitation all items identified in TOA Schedule 1. O&M Costs include CRRP Costs (although District must track them separately) but do not include CIP Costs.

"Operation and Maintenance Payments" or "O&M Payments" is defined in Section 8(A) of the TOA.

"Party" or "Parties" shall mean each of the City of Wheatland or the Olivehurst Public Utility District, individually or together.

"Permitted Capacity" means the permitted average annual sewage treatment flow to be processed by the Facility as permitted by the Regional Board or other applicable authorities having jurisdiction.

"Point of Delivery" means the outlet of Wheatland Transmission Main at the District's proposed Pump Station #21 directly north of the intersection of Ostrom Road and Rancho Road or such other place aligned upon by the Parties.

"Purchased Capacity" means the Initial Purchased Capacity plus the First Come, First Served Capacity purchased and used by the City and the District under the terms and conditions set forth in this Agreement, as depicted in the chart in Section 4(F). Purchased Capacity also includes the capacity in the Shared Transmission Main and Shared Collector System necessary to convey Wastewater from the City to the Facility.

"Regional Board" means the Central Valley Regional Water Quality Control Board.

"Shared Conveyance System" means the District's publicly operated sanitary sewer conveyance system, including piping, pumping, and in-line treatment facilities appurtenant thereto, whose primary purpose is the transmission of Wastewater from both the District and the City, including piping and pumping facilities, between the Point of Delivery and the Facility.

"Shared Transmission Main" means the portion of the transmission main constructed and jointly owned by the Parties to convey City Wastewater from Ostrom Road to the Point of Delivery. "Start Date" means the date (determined as provided in Section 2(B) of the TOA) whereby the City is able to deliver City Wastewater to the System via the Point of Delivery, the District is obligated to convey and treat that Wastewater, and the City is obligated to begin paying its share of Allocable O&M Costs as provided in the TOA.

"System" means the Facility and the portion of District's Collector Sewer System between the Point of Delivery and the Facility.

"TSS" means total suspended solids.

"Wastewater" means the liquid and water-carried wastes from dwellings, commercial buildings, industrial facilities, and institutions, whether treated or untreated, which is contributed into or permitted to enter a Party's Collector Sewer System, including Infiltration and Inflow.

"Wastewater Transmission Line Construction Agreement" or "WTLCA" means that certain Wastewater Transmission Line Construction Agreement, to be developed between the City and District, including any amendments.

"Wheatland Transmission Main" means the portion of the transmission

main constructed by the Parties to convey City Wastewater to the Point of Delivery. The Wheatland Transmission Main is exclusively owned by the City from the City limits to Ostrom Road.