

**FIRST AMENDMENT TO SECOND AMENDED AND RESTATED JOINT
EXERCISE OF POWERS AGREEMENT FOR THE DEVELOPMENT,
OPERATION AND MAINTENANCE OF THE GROUNDWATER REPLENISHMENT
SYSTEM AND THE GREEN ACRES PROJECT**

This First Amendment to Second Amended And Restated Joint Exercise Of Powers Agreement For The Development, Operation And Maintenance Of The Groundwater Replenishment System And The Green Acres Project is entered into by and between the Orange County Water District (the "Water District") and the Orange County Sanitation District (the "Sanitation District"). The Water District and the Sanitation District are sometimes collectively referred to herein as the "Parties," and individually referred to as each "Party." This First Amendment shall be effective as of the 18th day of October, 2017.

RECITALS

WHEREAS, on November 16, 2016, the Water District and the Sanitation District entered into the " Second Amended And Restated Joint Exercise Of Powers Agreement For The Development, Operation And Maintenance Of The Groundwater Replenishment System And The Green Acres Project" ("Agreement"); and

WHEREAS, the Sanitation District's Headworks Segregation Project ("Plant 2 Headworks Modifications") is a component required to support final expansion of the Groundwater Replenishment System; and

WHEREAS, on August 14, 2017, the Sanitation District applied for funding in the form of a grant from the Federal Bureau of Reclamation to aid in the design and construction of the Plant 2 Headworks Modifications; and

WHEREAS, the Agreement requires the Water District to reimburse the Sanitation District for its cost to design and construct the Plant 2 Headworks Modifications, and the Sanitation District intends to reduce the Water District's required reimbursement by the amount of any grant funding applicable to the Plant 2 Headworks Modifications obtained by the Sanitation District.

NOW, THEREFORE, the Parties agree to amend the Waste Water Interceptor Capacity Agreement as follows:

AGREEMENT

1. The Recitals above are deemed true and correct, are hereby incorporated in this Amendment as though fully set forth herein, and the Parties acknowledge and agree that they are bound by the same.
2. Section II, paragraph 3 of the Agreement is amended and restated in its entirety as follows:

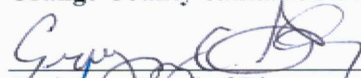
3. Plant 2 Headworks Modifications Project. The Sanitation District shall plan, design and construct the Plant 2 Headworks Modifications project as described in Exhibit B. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Headworks Modifications prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund this project. The Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt. Should the Sanitation District successfully obtain grant funds applicable to the Plant 2 Headworks Modifications project, the Water District's reimbursement(s) to the Sanitation District for its cost of the design contract(s), the construction contract(s), and staff time spent on the project shall be reduced by the amount(s) of grant funds received by the Sanitation District for the project.

3. Except as expressly provided herein, this First Amendment does not modify the Agreement.

4. This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Parties hereto have caused this First Amendment to be signed by the duly authorized representatives as of the day and year last signed below.

Orange County Sanitation District


Chairman, Board of Directors


Clerk of the Board

Approved as to Form:


Bradley R. Hogan, General Counsel

Orange County Water District

10/25/17  10-18-17
Date President, Board of Directors Date

10/25/17  10-18-17
Date Clerk of the Board Date

General Manager

Approved as to Form:


Joel Kuperberg, General Counsel