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OF THE ORIGINAL ON FILE IN THIS OFFICE.

ATTEST: *Barbara L. Sacas, Deputy*

CITY CLERK AND EX OFFICIO CLERK OF THE
CITY COUNCIL OF THE CITY OF LAKEPORT,
STATE OF CALIFORNIA.

AGREEMENT
Between

CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT
and
LAKE COUNTY SANITATION DISTRICT
REGARDING MUTUALLY PROVIDED SEWER SERVICES
FOR THE NORTH LAKEPORT AREA
AND THE UNINCORPORATED SOUTH LAKEPORT AREA

THIS Agreement is entered into on this 12th day of September, 1995 by
and between the CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, hereinafter
referred to as 'CLMSD' and the LAKE COUNTY SANITATION DISTRICT, hereinafter
referred to as 'LACOSAN'.

WITNESSETH

WHEREAS, LACOSAN owns and operates a regional sewage collection,
transport, treatment, storage and disposal facility known as the Northwest Regional
facility; and

WHEREAS, CLMSD owns and operates a regional sewage collection, transport,
treatment, storage and disposal facility known as the City of Lakeport Regional Facility;
and

WHEREAS, LACOSAN has been accepting and treating sewage flows from the
northern portion of CLMSD since about January 1978; and

WHEREAS, CLMSD desires to have LACOSAN continue to receive and treat
sewage flows from a northern portion of its service area; and

WHEREAS, CLMSD owns sewage collection and transport facilities that serve
the Unincorporated South Lakeport Area including Assessment District 9-1,
Assessment District 9-3 and 16 parcels of land on the Big Valley Indian Rancheria; and

WHEREAS, CLMSD has been accepting and treating sewage flows from the
Unincorporated South Lakeport Area since about December 1985; and

WHEREAS, previous Agreements between CLMSD and LACOSAN dated
December 11, 1984, February 3, 1986, and December 11, 1975 provide for the mutual
acceptance and treatment of sewage flows to/from CLMSD and LACOSAN.

WHEREAS, LACOSAN desires to have CLMSD continue to receive and treat
sewage flows from the Unincorporated South Lakeport Area.

NOW, THEREFORE, BASED ON THE ABOVE RECITALS, CLMSD AND LACOSAN AGREE AS FOLLOWS:

I. IN REGARD TO THE LACOSAN SEWAGE FLOWS COMING FROM THE UNINCORPORATED SOUTH LAKEPORT AREA GOING TO CLMSD:

1. CLMSD agrees to accept and treat sewage flows from Assessment District 9-1, Assessment District 9-3 and the 16 parcels on the Big Valley Indian Rancheria as shown on Exhibits "A" "B" and "C" respectively and which are attached hereto and made a part of this agreement. LACOSAN agrees that no sewage connections will be made to any parcels referred to above until all applicable capacity expansion fees have been paid.
2. LACOSAN agrees to furnish and install, at a mutually acceptable location, a flow measuring and recording device to accurately measure and record the sewage flows originating in the LACOSAN service areas. The flow measuring and recording device shall be operated and maintained by LACOSAN.

A portion of LACOSAN'S service area contributes flow in the area served by CLMSD. An estimate of LACOSAN'S flows entering CLMSD'S service area downstream from the LACOSAN flow measurement and recording device will be estimated and the quantity agreed upon between LACOSAN and CLMSD. Downstream flow measuring and recording devices located in the CLMSD service area shall be operated and maintained by CLMSD.

The measurement of the sewage flow rates and volumes shall be by methods, and at locations, mutually acceptable to both parties.

3. It is agreed that in the event of CLMSD'S annexation of any portion of the LACOSAN'S service area, that CLMSD shall relocate, at its expense, the flow measuring and recording device to the new interface between CLMSD and LACOSAN service areas. Said device shall be placed at a mutually agreeable location.
4. LACOSAN agrees to monitor and take steps to insure the sewage flows from each of the 16 Rancheria parcels shown on Exhibit "C" do not exceed the flows from an average single family dwelling. The sewage flow from an average single family dwelling is established as 210 gallons per day for the purposes of this Agreement.
5. LACOSAN agrees to pay CLMSD the proportionate costs of operation, replacement and maintenance of that portion of the CLMSD collection system, force mains, pump stations, treatment and disposal facilities as shown below.

<u>Facility</u>	<u>Basis for LACOSAN Share of Total Operation, Maintenance and Replacement Costs</u>
Lakeport Boulevard Pump Station	Prorata percentage based on flow measurements
Larrecou Lane Pump Station	Prorata percentage based on flow measurements
Linda Lane Pump Station	Prorata percentage based on flow measurements
Collection System and Force Mains That Carry LACOSAN Flows	Prorata percentage based on flow measurements
Treatment and Disposal Facility	Prorata percentage based on flow measurements

The proportionate costs shall be based on the percentage of flows from LACOSAN and said payment shall be made on a quarterly basis.

All one time expenditures which amount to a total aggregate cost of more than \$5000.00 to LACOSAN in any single budget year shall require prior approval by LACOSAN.

6. LACOSAN agrees to pay CLMSD the proportionate share of CLMSD'S administrative costs (less costs of customer billing) for the sewage transport, treatment and disposal facilities on the basis of LACOSAN flow compared to the total CLMSD flows and said payment shall be made on a quarterly basis.
7. LACOSAN agrees to collect and pay to CLMSD the CLMSD capacity Expansion Fees as the services in the south Lakeport area, as shown on Exhibits "A", "B" and "C", are connected to the sewage collection system. Said fees shall be paid to CLMSD at the end of the quarter in which the expansion fees are collected.
8. LACOSAN'S average dry weather sewage flows from the South Lakeport area as shown on exhibits "A", "B" and "C" shall not exceed 99,000 gpd during the term of this Agreement.
9. LACOSAN agrees that it will discharge only "domestic sewage" into CLMSD'S facility and such sewage shall have an organic strength of no more than 300 mg/L of biochemical oxygen demand (B.O.D.); except, that industrial sewage may be discharged at increased rates to be established by negotiation and agreement between the parties hereto.

10. This agreement supersedes all previous agreements regarding the acceptance, treatment and disposal of sewage flows from LACOSAN by the CLMSD facilities. Those agreements dated December 11, 1984 and February 3, 1986 and all amendments thereto and any previous practice or understanding between the parties shall be null and void.

II.

IN REGARD TO THE CLMSD FLOWS FROM THE NORTH LAKEPORT AREA GOING TO LACOSAN;

1. LACOSAN agrees to accept and treat CLMSD sewage flows from the portion of CLMSD shown in Exhibit "D", or as amended in the future.
2. CLMSD agrees to continue to divert sewage flows to the south from the Ashe Street pump station in accordance with the Amended Agreement between CLMSD and LACOSAN dated March 8, 1994, until such time that the agreement is no longer in effect. The allocation of new connections approved by the Central Valley Regional Water Quality Control Board shall be as specified in the Memorandum of Understanding between CLMSD and LACOSAN executed on March 22, 1994 with the understanding that HECs (RUEs) assigned to CLMSD in that MOU shall be assigned to the area shown in Exhibit "D" for distribution between CLMSD and LACOSAN in the manner described below.

After this Agreement is executed, the available RUEs remaining for the area, shown in Exhibit "D" shall be split on a 50 percent for CLMSD and 50 percent for LACOSAN basis. 50 percent shall be available for the CLMSD service area shown on Exhibit "E" and 50 percent shall be available for the new LACOSAN service area shown on Exhibit "F". LACOSAN and CLMSD agree that, in the event that either agency exhausts the RUEs made available by the Regional Water Quality Control Board and by the CLMSD/LACOSAN MOU, either of the agencies having available RUEs shall share them on an as needed basis with the other agency. The limit of such sharing by the donor agency shall be no more than 50% of the RUEs available at the time the receiving agency has exhausted its RUE allocation except that the donor agency may agree to share additional RUEs at its sole discretion.

3. Capacity expansion fees collected within the CLMSD area served by LACOSAN shall be paid to LACOSAN at the end of the quarter in which the expansion fees are collected; the sewage capacity expansion fees in the CLMSD area served by LACOSAN shall be an amount equivalent to the expansion fees in the other areas served by the LACOSAN Northwest facilities.
4. CLMSD agrees to furnish and install, at a mutually acceptable location, a flow measuring and recording device to accurately measure and record the sewage flows originating in the CLMSD north service area. The flow measuring and recording device shall be operated and maintained by CLMSD.

A portion of CLMSD'S flows enter the sewer main downstream from the flow measurement and recording device and will be estimated and the quantity agreed upon between LACOSAN and CLMSD. Downstream flow measuring and recording devices located in the LACOSAN service area shall be operated and maintained by LACOSAN.

The measurement of sewage flow rates and volumes shall be by methods, and at locations, mutually acceptable to both parties.

5. CLMSD agrees to pay LACOSAN the proportionate costs for the operation, replacement and maintenance of that portion of the LACOSAN collection system, force mains, pump stations, treatment facilities and disposal facilities as shown below:

<u>Facility</u>	<u>Basis for CLMSD share of Total Operation Maintenance and Replacement Costs</u>
#22 Crystal Lake Way Pump Station	Prorata percentage based on flow measurements
#21 Parkway Pump Station (PS#2)	Prorata percentage based on flow measurements
#20 Rocky Point Pump Station	Prorata percentage based on flow measurements
#1 Lafferty Lane Pump Station	Prorata percentage based on flow measurements
Collection System and Force Mains That Carry CLMSD Flows	Prorata percentage based on flow measurements
Treatment and Disposal Facility	Prorata percentage based on flow measurements

The proportionate costs shall be based on the percentage of flows from CLMSD and said payment shall be made on a quarterly basis.

All one time expenditures which amount to a total aggregate cost of more than \$5000.00 to CLMSD in any single budget year shall require prior approval by CLMSD.

6. CLMSD agrees to pay LACOSAN the proportionate share of LACOSAN'S administrative costs (less costs of customer billing) for the sewage transport, treatment and disposal facilities on the basis of CLMSD flow compared to the total LACOSAN flows and said payment shall be made on a quarterly basis.
7. CLMSD and LACOSAN agree to modify their respective North Lakeport service areas to the new boundaries shown in Exhibit "E". At such time

that said boundaries are modified, all the applicable provisions of this agreement shall remain in full force and effect. Any annexation/detachment (reorganization) costs required for said boundary adjustment shall be paid by CLMSD. At such time as the annexation/detachment (reorganization) is complete, LACOSAN shall bill for, and retain the revenues from, sewer service charges collected within the new service area annexed by LACOSAN as shown in Exhibit "F".

8. CLMSD agrees to reimburse LACOSAN for a portion of the sewer expansion fees previously collected by CLMSD in the area shown in Exhibit "F". Said reimbursement shall be in the amount of One Hundred Ninety Five Thousand Dollars (\$195,000). Said \$195,000 shall be paid within ninety (90) days of the date of execution of this Agreement.
9. This agreement supersedes all previous agreements regarding the acceptance, treatment and disposal of sewage flows from CLMSD by the LACOSAN Northwest facilities. That Agreement dated December 11, 1975, all amendments thereto and any previous practices or understanding between the parties shall be null and void.
10. CLMSD's average dry weather flow from the area shown on Exhibit "E" shall not exceed 312,000 gpd during the term of this agreement.
11. CLMSD agrees that it will discharge only "domestic sewage" into LACOSAN's facility and such sewage shall have an organic strength of no more than 300 mg/l of biochemical oxygen demand (B.O.D.); except that industrial sewage may be discharged at increased rates to be established by negotiation and agreement between the parties hereto.

III. PROVISIONS COMMON TO BOTH AREAS AND BOTH PARTIES

1. CLMSD and LACOSAN agree that the financial responsibility for the construction, repair and/or replacement of facilities within LACOSAN and CLMSD service areas shall be as follows:
 - A. Construction of new facilities for expansion/additional capacity.
 1. Both CLMSD and LACOSAN shall be financially responsible for prorata shares of the costs of facilities needed to provide additional capacity for sewage flows that will originate in their respective service areas. Payment for said costs shall be provided by a method suitable to both parties.
 - B. Maintenance, Replacement and Repair of existing facilities.
 1. Within the LACOSAN service area, CLMSD shall pay a prorata share of the maintenance, replacement and repair costs for facilities that accommodate flows from CLMSD.

2. Within the CLMSD service area, LACOSAN shall pay a prorata share of the maintenance, repair and replacement costs for facilities that accommodate flows from LACOSAN.

Prior to expending any monies for expansion, maintenance, replacement or repair projects which would require reimbursement from the other party in an aggregate amount in excess of \$5,000 in any single budget year, both parties agree to reconcile the amount of said reimbursement, to establish the method of payment, and to establish a schedule to identify the anticipated expenditure of funds.

2. The term of this agreement shall be twenty-five (25) years from the date of execution by both parties.

3. This Agreement shall inure to the benefit of, and be binding upon the successors and assigns of, the respective parties hereto.

This Agreement shall not be modified, changed or terminated unilaterally by the LACOSAN or the CLMSD; any changes of any type shall require the written consent and agreement of both parties.



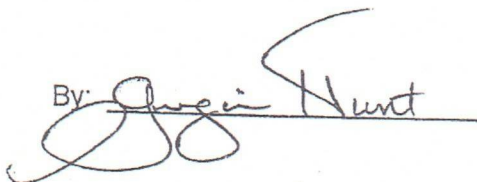
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

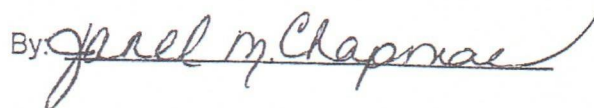

Chairman, Board of Directors
LACOSAN


Chairman, CLMSD #1

ATTEST: KELLY F. COX
Clerk to the Board of
Supervisors

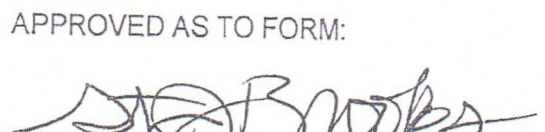
ATTEST: JANEL M. CHAPMAN
City Clerk

By: 

By: 

APPROVED AS TO FORM:

CAMERON L. REEVES
County Counsel

APPROVED AS TO FORM:

STEVEN J. BROOKES
City Attorney