

Attachment A

AGREEMENT

BY AND BETWEEN LAGUNA COUNTY SANITATION DISTRICT AND CITY OF SANTA MARIA

This agreement (Agreement) is made and entered into by Laguna County Sanitation District (District) and City of Santa Maria (City), based upon the following recitals:

WHEREAS, City is a California Municipal Corporation and charter city; and

WHEREAS, District is a public agency organized pursuant to the County Sanitation District Act (Chapter 3, Part 3, Division 5 of the Health & Safety Code); and

WHEREAS, both District and City are located adjacent to each other, and each has sewer and treatment facilities for the disposal of waste and effluent; and

WHEREAS, the location of the boundaries of City and District make it economical for both City and District to accept waste into each other's sewer and treatment facilities in certain areas; and

WHEREAS, District may contract with City pursuant to Health & Safety Code Section 4742.1 for the handling, treatment and disposal of sewage wastes; and

WHEREAS, District and City entered into an agreement on August 8, 1977 addressing the handling, treatment and disposal of sewage pursuant to California Health and Safety Code Section 4742.1, and said agreement, as was amended from time to time, expires in August 2017; and

WHEREAS, District and City wish to enter into a new agreement to provide for the most cost effective and efficient handling, treatment, and disposal of sewage for its service areas that can more easily be served by the other's system.

NOW THEREFORE, in reliance upon the foregoing recitals, District and City understand and agree as follows:

1. Commencing on or after August 9, 2017, District will accept for treatment and disposal waste from the geographical territory of City set forth in Exhibits "A1" and "A2," which are attached hereto and incorporated herein by reference.
2. Commencing on or after August 9, 2017, City will accept for treatment and disposal the waste from the geographical territory of District set forth in Exhibit "B," which is attached hereto and incorporated herein by reference.
3. City and District may establish standards for discharge of waste in the respective sewer and treatment systems, and any waste effluent not meeting such standards

need not be accepted.

4. No new or proposed development on land outside of the boundaries depicted in Exhibits "A1," "A2," or "B" may be included for service under the terms of this Agreement without approval by both parties through an amendment to this Agreement. Further, the boundaries depicted within Exhibits "A1," "A2," and "B" are intended to be consistent with Santa Barbara County Assessor parcel maps.
5. Within the final 30 days of each fiscal year, the parties shall meet and determine the actual amount of waste discharged into the other party's sewer system. The flows from the District into the City's system identified in Exhibit "B" shall be determined by the readings from the meters located at Waller Lane and Stubbs Lane. District shall provide the City with proof of annual calibration of these meters, and any future meters associated with this Agreement. The flows from the City into the District's system shall be based on (i) annual metered water use for properties within Exhibits "A1" and "A2," reduced by a use factor to estimate wastewater flow, and (ii) for Rolling Hills Tract, estimated flow from the City of Santa Maria's 2002 Utility Plan Update.
6. Following the annual determination of actual waste discharged into the parties' systems as provided in paragraph 5, the parties shall calculate the Net Flow. "Net Flow" is defined as the difference between the volume of wastewater received by District and the volume received by City during the fiscal year. The party responsible for discharging the greater volume of wastewater (Paying Party) shall make a payment to the other party not later than September 1 of each year. The amount to be paid by the Paying Party shall be determined by multiplying the Net Flow by the Base Rate. The "Base Rate" for fiscal year (FY) 17-18 shall be \$1.65 per 1,000 gallons. The Base Rate shall escalate by 3% each year until the expiration of this Agreement. For example, resulting Base Rate values for the first 5 years of the Agreement are:

FY 17 – 18 \$1.65
FY 18 – 19 \$1.70
FY 19 – 20 \$1.75
FY 20 – 21 \$1.80
FY 21 – 22 \$1.85
7. The effective date of this Agreement shall be the latter of the dates upon which the parties approve this Agreement. This Agreement shall expire on June 30, 2057. This Agreement may be terminated by either party upon 36 months written notice to the other party.
8. The District will enforce all elements of the City's sewer use ordinance, Article 8–12 of the Santa Maria City Municipal Code, and also comply with the standard

provisions of the City's current Waste Discharge Order, issued by the Regional Water Quality Control Board. The District will notify the City immediately of any waste discharge that does not comply with the above documents, and will cooperate with the City to the fullest extent possible including, but not limited to: authorizing the City right of entry to inspect, sample, and monitor users subject to pretreatment standards as set forth in 40 CFR part 403; halt immediately any discharge which the City determines is causing interference with treatment or violation of the City's permit; and permit the City to implement pretreatment management program in the event the District is unable to do so.

9. The City will enforce all elements of the District's sewer use ordinance, Article I and Article III of Chapter 29 of the County Code, and also comply with the standard provisions of the District's current Waste Discharge Order, issued by the Regional Water Quality Control Board. The City will notify the District immediately of any waste discharge that does not comply with the above documents, and will cooperate with the District to the fullest extent possible including, but not limited to: authorizing the District right of entry to inspect, sample, and monitor users subject to pretreatment standards as set forth in 40 CFR part 403; halt immediately any discharge which the District determines is causing interference with treatment or violation of the District's permit; and permit the District to implement pretreatment management program in the event the City is unable to do so.
10. To the fullest extent allowed by law, the District agrees to defend, indemnify and hold harmless the City, its directors, officials, and employees, from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) arising out of or related to the District's failure to comply with its obligations set forth in paragraph 8. The City agrees to defend, indemnify and hold harmless the District, its directors, officials and employees, from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) arising out of or related to the City's failure to comply with its obligations set forth in paragraph 9.
11. NOTICES - Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To DISTRICT: District Manager
 Laguna County Sanitation Director
 620 West Foster Road

Santa Maria, CA 93455
Ph (805) 739-8750, Fax (805) 739-8753

To CITY: Utilities Director
City of Santa Maria
2065 East Main Street
Santa Maria, CA 93454
Ph (805) 925-0951 x7253, Fax (805) 928-7240

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

12. EXECUTION OF COUNTERPARTS - This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

13. AMENDMENT - This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement.

14. NON-ASSIGNMENT - The City and the District shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party and any attempt to so assign or transfer without such consent shall be void and without legal effect.

AGREED:

Dated: _____

Dated: _____

LAGUNA COUNTY SANITATION DISTRICT

CITY OF SANTA MARIA

By: _____

JOAN HARTMAN, CHAIR

By: _____

ALICE PATINO, MAYOR

ATTEST:
MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD AND EX-OFFICIO
CLERK OF THE DISTRICT

By: _____

ATTEST:
RICHARD J. HAYDON
CITY MANAGER

By: _____
PATTI RODRIGUEZ, CITY CLERK

RECOMMENDED FOR APPROVAL:
SCOTT D. MCGOLPIN
PUBLIC WORKS DEPARTMENT HEAD

By:  _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By:  _____
DEPUTY

RECOMMENDED FOR APPROVAL:
SHAD S. SPRINGER
DIRECTOR OF UTILITIES

By: _____

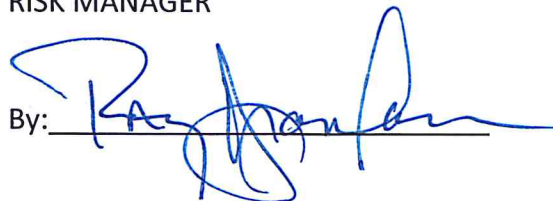
APPROVED AS TO FORM:
GIL TRUJILLO
CITY ATTORNEY

By: _____
ASSISTANT

APPROVED AS TO ACCOUNTING FORM:
THEODORE A. FALLATI, CPA
AUDITOR-CONTROLLER

By:  _____
DEPUTY

APPROVED AS TO FORM:
RAY AROMATORIO, ARM, AIC
RISK MANAGER

By:  _____