

Folsom City Council Staff Report



MEETING DATE:	2/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10591 – A Resolution Authorizing the City Manager to Execute an Amended and Restated Master Interagency Agreement Between Sacramento Regional County Sanitation District and Its Contributing Agencies
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10591 - A Resolution Authorizing the City Manager to Execute an Amended and Restated Master Interagency Agreement Between Sacramento Regional County Sanitation District and Its Contributing Agencies.

BACKGROUND / ISSUE

In November 1974, the Sacramento Regional County Sanitation District (SRCSD) Board executed the Master Interagency Agreement (MIA) with agencies receiving wastewater service from SRCSD. In a subsequent amendment, the MIA identified SASD (then County Sanitation District No. 1), the City of Sacramento, and the City of Folsom as contributing agencies. The primary purpose of the MIA is to specify the responsibilities between Regional San and its Contributing Agencies (SASD, City of Sacramento, and City of Folsom) on the financing, maintenance and operation of wastewater collection, conveyance, and treatment facilities and collection of sewer rates and sewer impact fees.

The current MIA, last amended in December 1996, will expire on June 30, 2024. Since that time, the City of West Sacramento was annexed to the Regional San service area in 2007. Service to West Sacramento is governed by a separate wastewater services agreement, which indicates that West Sacramento will be included as a contributing agency when the MIA is amended. Even though the County is not a contributing agency, it became a signatory because

the MIA has a provision for staffing relationship between the County and Regional San. While Regional San and SASD are independent entities, the districts are staffed by County staff.

On October 9, 2019, the SRCSD Board established a subcommittee to review the current MIA and identify any proposed changes and present these to the full Board. On October 28, 2020, the District Engineer provided a summary of the proposed amendments to the MIA to the subcommittee.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,657 or greater shall be awarded by City Council.

ANALYSIS

In 2018, Regional San began meeting with key stakeholders from the Contributing Agencies, as well as the City of West Sacramento, to identify and develop amendments to the MIA. Multiple meetings have taken place over the last two years to work through key issues related to the billing and collection of Regional San's rates and fees, collaboration on a study to address infiltration/inflow corrective measures and removing outdated information.

The amended MIA will incorporate the City of West Sacramento as a Contributing Agency for the first time. Regional San will pay for the cost of collecting its revenues and will assume responsibility for uncollected revenues. In addition, staffing provision in the MIA will sunset on June 30, 2024 and any future staffing relationship between Regional San and the County, beyond June 2024, needs to be covered through a separate agreement. Accordingly, the County will sunset as a signatory to the MIA on June 30, 2024. A summary of the proposed changes is summarized below.

- The City of West Sacramento will be incorporated into the agreement as a contributing agency. The City of West Sacramento joined the Regional San service area in 2007 and, thus, was not previously a party to the MIA. The City is currently being served through a Wastewater Services Agreement, which contemplates the City becoming a contributing agency with the renewal of the MIA.
- The previous MIA terms were based on Regional San's debt obligation durations, and the amended MIA will have a 50-year term, which is the legally allowed maximum term. However, the MIA will be reviewed every 5 years to determine any need for amendments.
- Regional San will be responsible for the collection of its sewer rates. The current agreement requires the Contributing Agencies to collect sewer rates on behalf of Regional San. In the future, Regional San will either bill its customers directly or reimburse a Contributing Agency for the billing and collection of sewer rates if agreed to by both parties. The current agreement also requires each Contributing Agency to

absorb the costs of any bad debt. In the future, Regional San will absorb these costs. Regional San will incur approximately \$1 million in additional costs annually, and the contributing agencies, collectively, will see their costs reduced by this amount.

- The Infiltration/Inflow (I/I) corrective measures section will be revised to require Regional San and each Contributing Agency to collaborate and conduct a study focusing on identifying cost-effective corrective measures to eliminate excessive I/I.
- The section specifying the personnel relationship between Regional San and the County of Sacramento will be amended to specify a sunset date of no later than June 30, 2024. Any continuing personnel relationship between the two agencies would need to be established in a separate agreement.
- The MIA will be revised to allow a few specific sections of the MIA to be amended in writing at the executive management level, rather than at the Board or City Council level. Specifically, the Regional San and SASD District Engineer and specified positions for each Contributing Agency, such as their utility manager/director could amend certain provisions that are administrative or technical in nature.
- Sections that are no longer applicable will be deleted, such as the Folsom Interceptor section.

For the City of Folsom, the proposed changes do not have any impact on City operations or City customers. The City will continue to bill and collect Regional San rates through an agreement that specifies the City's responsibility for billing and collection and a future agreement will include Regional San's reimbursement requirements to the City for the avoided cost of billing.

FINANCIAL IMPACT

This amended and restated Mater Interagency Agreement does not have any financial impacts to the City. A future agreement will be brought before the Council to establish the responsibilities and reimbursement for the City to bill and collect Regional San rates on behalf of Regional San. The Finance Director estimates that the City will receive approximately \$100,000 per year from Regional San.

ENVIRONMENTAL REVIEW

Execution of this agreement is not considered a project and therefore not subject to CEQA.

ATTACHMENTS

1. Resolution No. 10591 - A Resolution Authorizing the City Manager to Execute an Amended and Restated Master Interagency Agreement Between Sacramento Regional County Sanitation District and Its Contributing Agencies

2. Amended and Restated Master Interagency Agreement

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 10591

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED AND RESTATED MASTER INTERAGENCY AGREEMENT BETWEEN SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT AND ITS CONTRIBUTING AGENCIES

WHEREAS, in November 1974, the Sacramento Regional County Sanitation District (SRCSD) executed the Master Interagency Agreement (MIA) with agencies receiving wastewater service from the SRCSD, and in a subsequent Amendment, identified the City of Folsom as a contributing agency; and

WHEREAS, the MIA specifies the responsibilities between Regional San and its Contributing Agencies on the financing, maintenance and operation of wastewater collection, conveyance, and treatment facilities and collection of sewer rates and sewer impact fees; and

WHEREAS, the current MIA will expire June 30, 2024; and

WHEREAS, the Regional San Board established a subcommittee to review the current MIA and identify any proposed changes; and

WHEREAS, the District Engineer of Regional San presented the proposed changes to the Regional San Board on October 28, 2020 and January 13, 2021; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute an Amended and Restated Master Interagency Agreement Between Sacramento Regional County Sanitation District and Its Contributing Agencies.

PASSED AND ADOPTED this 23rd day of February 2021, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

DCS Contract No. 50000210

AMENDED AND RESTATED

SACRAMENTO REGIONAL WASTEWATER

MANAGEMENT PROGRAM

MASTER INTERAGENCY AGREEMENT

April 14, 2021

AMENDED AND RESTATED
SACRAMENTO REGIONAL WASTEWATER
MANAGEMENT PROGRAM
MASTER INTERAGENCY AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT ("Agreement") is made and entered into on _____ by and among the following public entities:

- (a) SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, a political subdivision of the State of California
- (b) CITY OF FOLSOM, a municipal corporation
- (c) CITY OF SACRAMENTO, a municipal corporation
- (d) COUNTY OF SACRAMENTO, a political subdivision of the State of California
- (e) SACRAMENTO AREA SEWER DISTRICT, a political subdivision of the State of California
- (f) CITY OF WEST SACRAMENTO, a municipal corporation

RECITALS

- A. Each of the parties to this Agreement is a local governmental entity functioning within the Sacramento Metropolitan Area.
- B. Each of the Contributing Agencies that are parties to this Agreement presently maintains and operates facilities for the collection and conveyance of wastewater to Sacramento Regional County Sanitation facilities.
- C. Each of the parties to this Agreement through official acts of its legislative body has recognized the need for coordinated regional planning of wastewater management within the Sacramento Metropolitan Area and has either been added as a party to this Agreement and/or joined with or participated in the formation of the Sacramento Regional County Sanitation District, a county sanitation district formed under provisions of the Health and Safety Code to provide regional wastewater services within the Sacramento Metropolitan Area (hereinafter referred to as Regional San).

D. With the exception of the City of West Sacramento, the parties hereto have previously entered into a Sacramento Regional Wastewater Management Program Master Interagency Agreement dated November 1, 1974, and amended twice on April 28, 1981, and once each on June 26, 1983, January 28, 1986, February 28, 1989, April 13, 1993, and December 11, 1996 (collectively referred to as the 1974 MIA). With the execution of this amended and restated agreement, the City of West Sacramento will be added as a Contributing Agency and the previously entered Wastewater Services agreement between the City of West Sacramento and Regional San, dated March 31, 2004, will be terminated. This Agreement amends and supersedes the 1974 MIA, continues in effect, as herein amended, all of the continuing operative provisions thereof, and deletes from the current text those provisions of the 1974 MIA, which have been fully executed or are no longer operative

AGREEMENTS

The parties agree as follows:

Section 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings hereinafter specified:

AVOIDED COST: The estimated cost per account Regional San would have incurred to collect sewer rates in the portions of Regional San service area, which pursuant to a separate billing and collection agreement are collected by another billing agency/contributing agency.

COLLECTOR SEWER: Any publicly operated sanitary sewer including pumping and in-line treatment facilities appurtenant thereto, whose primary purpose is the collection of wastewaters within a Contributing Agency.

COMBINED FLOW: Storm drainage, sanitary sewage, or industrial waste intentionally combined in a single conduit for purposes of collection, treatment, or discharge.

COMMERCIAL USER: Any nonresidential user that the District Engineer determines does not meet the definition of an industrial user as set forth in the Regional San's Consolidated Ordinance.

CONSOLIDATED ORDINANCE: An ordinance, originally adopted by Regional San on February 10, 2010 as Ordinance #SRSD-0109, and as subsequently amended, regulating the use of the Regional System and providing the authority to set and collect sewer rates and sewer impact fees.

CONTRACTING AGENCY: Any public agency (including an agency of the state or federal government) that is not a party to this Agreement and has a separate contract that allows the contribution of wastewater from its system to the Regional System for conveyance, treatment, and discharge. Contracting agencies need not be annexed to Regional San or be a Contributing Agency.

CONTRIBUTING AGENCY: Any public entity other than the County of Sacramento that is a party to this Agreement and contributes wastewater from its system to the Regional System.

DISTRICT ENGINEER: The chief executive of the Sacramento Regional County Sanitation District and the Sacramento Area Sewer District.

INDUSTRIAL USER: Any person who discharges or causes a discharge of industrial wastewater directly or indirectly to the Regional System, as categorized in the Consolidated Ordinance. This term specifically includes any categorical users connected to the Regional System, whether or not they discharge process wastewater.

INDUSTRIAL WASTEWATER: Any water-carried wastes and wastewaters, excluding domestic wastewater, derived from any producing, manufacturing, processing, institutional, agricultural, or other operation.

INFILTRATION: Any water entering a collector, trunk, or interceptor sewer or service connections thereto from the ground through such means as, but not limited to, defective pipes, pipe joints, connections, or manhole walls.

INFLOW: Any water discharged into collector, trunk, or interceptor sewer or service connections thereto 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, catchbasins, storm waters, surface runoff, street wash waters or drainage.

INTERCEPTOR SEWER: Any sewer and in-line treatment facilities appurtenant thereto including pumping facilities as shown and described on Exhibit A, which is hereby made a part of this Agreement, and any future sanitary sewers constructed after the date of this Agreement, which meet either of the following criteria:

- (a) Any sanitary sewer designed to carry a peak wet weather flow of 10 MGD or greater from new development; or,
- (b) Any sanitary sewer that has its upstream and downstream ends are adjacent and connected to an existing Interceptor Sewer shown in Exhibit A of this Agreement.

LOCAL SERVICES: All services within a Contributing Agency that are necessary for the collection, conveyance, treatment, and transfer to the Regional System of wastewater originating within that Agency that are not to be performed by Regional San pursuant to this Agreement.

LOCAL SERVICE AREA: That area in which a Contributing Agency has the exclusive authority to perform local services.

MGD: Million gallons per day.

MAINTENANCE AND OPERATION COSTS: The reasonable and necessary costs of

maintaining and operating a system calculated on sound accounting principles, including (among other things) the reasonable expenses of management, operation, repair and other expenses necessary to maintain and preserve the system in good repair and working order, and reasonable amounts for administration overhead, insurance, taxes (if any) and other similar costs.

NON-INDUSTRIAL USER: Any person discharging wastewater to a system that is not classified as an Industrial User in the Consolidated Ordinance.

OPERATING AGREEMENTS: All agreements between Regional San and any Contributing Agency for the operation and maintenance of wastewater facilities.

OUTFALL SEWER: Any sewer the primary purpose of which is to transfer wastewater from a treatment plant or its effluent pumping station to a point of discharge. The term includes any structure or facilities located at the point of discharge for discharge or diffusion of the wastewater.

REGIONAL SAN: The Sacramento Regional County Sanitation District.

REGIONAL SAN SERVICES: All services required for the collection, conveyance, treatment, and discharge of wastewater that are to be performed by Regional San pursuant to this Agreement.

REGIONAL SYSTEM: All facilities for the conveyance, treatment, and discharge of wastewater that are owned or operated by Regional San.

RESIDENTIAL USER: A user whose premises are used solely for nontransient human habitation.

SACRAMENTO AREA SEWER DISTRICT (SASD): The Sacramento Area Sewer District, formerly known as County Sanitation District No. 1.

SANITARY SEWAGE: All water-carried waste from residences, business buildings, institutions, or other similar establishments, excluding storm waters, combined flow, and industrial waste.

SRWTP: The Sacramento Regional Wastewater Treatment Plant.

SUMP NO. 1/1A: That pumping station operated by the City of Sacramento located at Front and U Street.

SUMP NO. 2: That pumping station operated by the City of Sacramento located at 3530 Riverside Blvd.

SYSTEM: All facilities for the collection, conveyance, treatment, and discharge of wastewater owned or operated by Regional San, a Contributing Agency, or a Contracting Agency, as indicated by the context in which it is used.

SYSTEM USERS: Industrial, non-industrial, and commercial users of Regional San, a Contributing Agency, or a Contracting Agency, as indicated by the context in which it is used.

TERRITORIAL JURISDICTION: That area of land encompassed within the boundaries of Regional San or a Contributing Agency's service area as referenced in the Consolidated Ordinance.

TRUNK SEWER: Any collector sewer designated as a trunk sewer by the Contributing Agency operating said sewer.

WASTEWATER: The liquid and water-carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, whether treated or untreated, which is contributed into or permitted to enter the Regional San's facilities. This also includes infiltration, inflow, and combined flow.

Section 2. Term of Agreement.

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of time beginning on the date of this Agreement and including and ending on June 30, 2071, or until sooner terminated by agreement of all the parties hereto, or by operation of law.

Section 3. General Scope of Services Performed by Regional San.

Except as otherwise provided herein, Regional San shall:

- (a) Finance, construct, reconstruct, operate, and maintain all facilities for the treatment and disposal of sanitary sewage and industrial waste delivered to it and originating from within the local service area of each Contributing Agency;
- (b) Finance, construct and reconstruct Sumps 2A, 55, and 119 and related Regional San-owned piping as shown in the Operating Agreement between Regional San and the City of Sacramento.
- (c) Finance, construct, reconstruct, operate, and maintain all Interceptor Sewers for conveyance of wastewater from a Contributing Agency or a major portion of a Contributing Agency to the SRWTP.

Section 4. General Scope of Services of Contributing Agencies.

Except as otherwise provided herein, each Contributing Agency shall provide the following local services:

- (a) Finance, construct, reconstruct, operate, and maintain all collector and trunk sewers for wastewater originating within its local service area.
- (b) Dispose of all wastewater originating within its local service area by delivery of same to the Regional System.

Section 5. Local Service Area of Contributing Agencies.

Each Contributing Agency shall have the duty of providing local services to such portion of its local service area that is within its territorial jurisdiction.

Subject to such conditions, limitations or restrictions as it deems necessary or desirable, each Contributing Agency may agree to provide local services to an area within its local service area that is not within its territorial jurisdiction. If an area is not within the territorial jurisdiction of Regional San, no local service shall be provided to that area by a Contributing Agency until its annexation to Regional San has been effected. Upon request of the applicable Contributing Agency, Regional San shall undertake and accomplish such acts as are required of it by law to accomplish any such annexation.

An area within the local service area of a Contributing Agency that is not within its territorial jurisdiction shall not be provided local service by any other Contributing Agency without the prior consent of both Regional San and the Contributing Agency in whose local service area the subject area is situated.

Section 6. Enlargement of Local Service Area.

A Contributing Agency may enlarge its local service area with the prior consent of Regional San; provided however, Regional San shall not consent to any such enlargement if the probable effect of said enlargement would materially affect the ability of any other Contributing Agency to make reasonable use of facilities of Regional San to provide local service to its present system users or reasonably anticipated future users.

Section 7. Uniform Charge for Regional San Services.

It is the intent of all parties to the Agreement that:

- (a) Except as otherwise provided herein, the present and future costs of providing Regional San Services to users within Contributing Agencies shall be uniformly and equitably allocated among all users of Regional San treatment, conveyance, and disposal facilities without regard to their geographic location within Regional San; and
- (b) The present and future costs of providing Regional San Services shall be primarily recovered through the levy and collection of fair and reasonable user service charges, taxes, and fees for connection to the system all based upon rates determined and established by Regional San; and
- (c) User service charges collected for Regional San shall be expended only for the acquisition, construction, reconstruction, maintenance and operation of facilities needed to provide Regional San Services, to repay principal and interest on bonds issued for the construction, reconstruction or expansion of such facilities (including reasonable allowance for reserves necessary to comply with requirements associated with bond sales), loans or advances, or

to repay other loans or advances made to Regional San for the construction, reconstruction or expansion of such facilities, or requirements associated with State and Federal grants; and

- (d) User service charges collected by Regional San shall not be used for the acquisition, construction, repair or maintenance of collector sewers or trunk sewers as distinguished from interceptor sewers or the SRWTP Outfall Sewer.
- (e) Regional Sewer Impact Fees may be waived through the adoption of an ordinance by Regional San providing for Sewer Impact Fee waivers. Sewer Impact Fee waivers are adopted and described in the Consolidated Ordinance.

Section 8. Establishment of Service Rates and Procedures for the Collection of Sewer Rates and Delinquent Charges.

Regional San has in accordance with law and the intent expressed in the provisions of Section 7 of this Agreement formulated and adopted a schedule of user service charges for Regional San Services specifying the classes or categories of system users and providing a rate or rates for each such class or category of user.

Rates, classifications, and schedules adopted by Regional San for users of the Regional System may be amended from time to time in accordance with law, and to accomplish the intent of this Agreement but, the effective date of any such amendment shall be not less than 30 days from the date upon which said action is taken.

Subsequent to the execution of this Agreement, Regional San will either (a) enter into an agreement with each Contributing Agency or (b) amend an Operating Agreement, to specify the Contributing Agency's responsibilities for the billing, collection, assessment, as well as, documentation requirements.

Pursuant to such agreements, Regional San may agree to allow a Contributing Agency to assume the responsibility of billing and collection of Regional San's rates and fees. There are two options for Contributing Agencies to remit rates to Regional San.

- For Contributing Agencies that remit only the rates successfully collected, Regional San will reimburse the Avoided Cost of billing based on an average annual cost per account for Regional San to bill sewer rates.
- For Contributing Agencies that remit rate charges due for all accounts, Regional San will reimburse for the Avoided Cost of billing. At end of year, Contributing Agencies may bill Regional San for any rates that have been determined to be ultimately unrecoverable.

Contributing Agencies that bill and collect Regional San rates must provide documentation for unrecoverable sewer rates to Regional San.

Until either a billing and collection agreement is entered into or an Operating Agreement is modified to add billing and collection terms, a Contributing Agency must continue to collect

Regional San rates and charges as the Contributing Agency was doing prior to the execution of this amended MIA.

Unless there is either a new billing and collection agreement or an amended Operating Agreement with billing and collection terms between that Contributing Agency and Regional San, a Contributing Agency shall establish and maintain a billing system for the collection of user service charges for Regional San Services that conforms to the classification and categorization of regional user rates established and adopted by Regional San. In conjunction with the maintenance of the billing system for regional user service charges, each Contributing Agency shall establish, produce, and maintain adequate reports from its billing system to allow Regional San to ascertain that the billing and transfers of billed amounts are representative of the customer base being provided services.

Transition Period

The transition period is the period from execution of this Agreement to the effective date of the individual Contributing Agencies' billing and collection services agreements or amendment of existing Operating Agreements to include a section on billing and collection services. During the transition period, Contributing Agencies will continue to conduct billing and collection and remit fees under the current process (as stated above).

Regional San will reimburse the Contributing Agencies for the Avoided Cost of billing based on an average annual cost per account for Regional San to bill sewer rates.

Regional San will reimburse the Contributing Agencies for Avoided Costs for the duration of the transition period. The reimbursement payment will be made within 60 days of the effective date of the billing and collection agreement or a revised Operating Agreement that includes a section on the billing and collection of sewer rates.

Section 9. Collection of Regional San Charges.

Unless there is a billing and collection agreement, or a revised Operating Agreement that includes a section on the billing and collection of sewer rates, between that Contributing Agency and Regional San, a Contributing Agency shall periodically levy, bill, and use reasonable efforts to collect from each of its residential and commercial system users a charge for Regional San Services that conforms to the schedule of user rates adopted by Regional San that is in effect upon the date of billing.

In respect to industrial users, Regional San shall be responsible for:

- (a) Collecting all information needed to compute user charges,
- (b) The computation of such charges, and
- (c) Periodically billing the computed Regional San charges directly to the industrial user without regard to the user's location within the territorial jurisdiction of Regional San.

By mutual agreement, the charge for Regional San Services may be collected with the rates, tolls, and charges for local services or other utility services.

If Regional San charges are collected with the rates, tolls, and charges of another utility, the Regional San charge shall be shown on the billing as such and shall not be combined with any other rate, toll, or charge appearing on the billing.

Adequate records shall be maintained by all Contributing Agencies to permit ready, separate identification of Regional San Services and of local service charges, amounts received, and payments made to Regional San.

Nothing herein shall prevent Regional San from levying, billing, and collecting charges for Regional San Services from any or all residential and commercial system users when the District Engineer determines charges are not being collected consistent with the Consolidated Ordinance.

Section 10. Payment of Charges to Regional San.

This section applies to a Contributing Agency unless there is a billing and collection agreement or a revised Operating Agreement that includes a section on the billing and collection of sewer rates, between a Contributing Agency and Regional San. Not later than 60 days following the date of each regular periodic billing of a Contributing Agency, that agency shall pay to Regional San a sum that equals the total of all charges for Regional San Services that were collected in said billing. Payments shall be accompanied with a summary identification by billing categories. Detailed account identification may remain with the Contributing Agency. A periodic report shall be submitted to Regional San reconciling billings with payments.

The Contributing Agencies agree to make reasonable efforts to collect all delinquent charges and remit collected delinquent charges within 60 days following receipt of delinquent revenue by the Contributing Agency, while absorbing the cost of collecting such charges. The Contributing Agencies shall provide Regional San details of uncollected delinquent charges.

Each Contributing Agency agrees to absorb:

- (a) Administrative costs incidental to collection and transmittal of regional service charges; and
- (b) Costs associated with collecting delinquent charges; and
- (c) Costs attributable to unbilled regional service charges that should reasonably have been billed.

Contributing Agencies shall not bill Regional San for such costs, nor deduct such costs from service charges due Regional San. The sole source of reimbursement to Contributing Agencies for such costs is provided for in Section 8.

Section 11. Sewer Impact Fees.

Regional San shall, in accordance with law and the intent expressed in the provisions of Section 12 of this Agreement, adopt a Consolidated Ordinance to establish Sewer Impact Fees for the privilege of connecting a sewer service to any sanitary sewer within the territorial jurisdiction of Regional San. Fees adopted by Regional San may be amended from time to time in accordance with law and to accomplish the intent of this Agreement. Procedures for payment, collection, and documentation of Sewer Impact Fees shall be prescribed by Regional San and each Contributing Agency shall provide such services as are necessary for collection, documentation, and transfer of such fees without cost to Regional San. All Sewer Impact Fees collected pursuant to this Agreement shall be remitted no less than quarterly to Regional San. However, Sewer Impact Fees for commercial, industrial, and multiple-family residential (except duplex) users will be computed and collected by Regional San, unless otherwise authorized or approved by Regional San and the Contributing Agency affected.

Section 12. Method of Computing Sewer Impact Fees for Users.

All new users connecting to a sanitary sewer owned by Regional San or one of its Contributing Agencies shall pay an appropriate amount for their share of the capital investment in the Regional System in accordance with the Consolidated Ordinance. The Consolidated Ordinance requires all new users within the territorial jurisdiction of Regional San, or having applied for annexation thereto, to pay a Sewer Impact Fee calculated to finance planning, design, construction, inspection, administrative, debt service, debt covenant, and other related costs for wastewater conveyance, treatment, and disposal facilities for Regional System expansion.

Sewer Impact Fees are established in the Consolidated Ordinance.

Sections 13–19. Deleted.

Section 20. Annexation to Regional San.

An area within the territorial jurisdiction of a Contributing Agency may be annexed to Regional San at the request of and with the consent of that Contributing Agency and in the manner prescribed by law. Annexation to Regional San and a Contributing Agency may occur simultaneously. Fees assessed by the Sacramento Local Agency Formation Commission for processing annexations and conducting environmental reviews related to such annexations shall be paid by the petitioners as indicated in the Consolidated Ordinance.

Any area outside the territorial jurisdiction of the Contributing Agencies may be annexed to Regional San provided it has been designated for those classes of urban uses generally requiring public utility services in the adopted Sacramento County General Plan or an adopted General Plan of any other Contributing Agency as it exists at the time the annexation occurs, and if the area simultaneously annexes to a Contributing Agency.

Section 21. Service to Contracting Agencies.

Regional San may enter into agreements to provide services to Contracting Agencies; provided, however, Regional San shall not enter into an agreement to provide Regional San Services to a Contracting Agency if the probable effect of providing such service would materially affect the ability of any Contributing Agency to make reasonable use of the Regional System to provide local service to its present system users or reasonably anticipated future users.

Fees chargeable for Regional San Services provided to Contracting Agencies shall be fixed by Regional San. Said fees shall provide Regional San with full reimbursement for all costs of whatever nature incurred by it in providing such service.

Section 22. New Contributing Agencies.

A public entity that operates its own sewage collection system may become a Contributing Agency under this Agreement by appropriate amendment thereof and by consenting to the annexation to Regional San of such areas of land within its territorial jurisdiction as are to be served by Regional San. Said entity's status as a Contributing Agency shall not be effective until the annexation to Regional San is legally consummated.

Sections 23–24. Deleted.

Section 25. Easements - Joint Usage with Regional San.

At the request of Regional San, each Contributing Agency and the County of Sacramento shall permit Regional San to make reasonable joint usage of those sanitary sewer easements, rights of way, or Public Utility Easements for which the Contributing Agency or County of Sacramento has a right of usage unless such joint usage is precluded by law or contract. If an easement or right of way is situated in a public street or highway, the laws of the State of California shall govern its joint usage by Regional San in the absence of a specific agreement relating thereto between Regional San and the party that is the owner of the easement or right of way.

This section will sunset as to the County of Sacramento only on June 30, 2024. Regional San and the County of Sacramento may, by mutual agreement, sunset this section prior to the aforementioned sunset date.

Section 26. Operation of Regional System.

Subject to the exceptions and limitations set forth in this Agreement, Regional San has assumed the sole responsibility to finance, construct, reconstruct, operate, and maintain the Regional System in compliance with all applicable regulatory requirements.

Section 27–28. Deleted.

Section 29. Operation of the City of Sacramento’s Combined Flow Facilities.

The City of Sacramento shall operate and maintain at its sole expense all facilities required for the collection, storage, conveyance, treatment, and discharge of combined flow originating within its service area, including but not limited to those facilities constructed by Regional San. Provided, however, the City of Sacramento may at no additional expense to itself make use of maximum available capacity (not to exceed 60 MGD without the prior consent of Regional San) in the treatment facilities constructed by Regional San at the Regional Wastewater Treatment Plant Site for the treatment of the City of Sacramento’s combined flow. The City of Sacramento may use the available treatment capacity prior to diversion of a portion of its combined flow into storage and treatment facilities constructed by Regional San and operated by the City of Sacramento for the primary purpose of storing and treating combined flow or prior to the direct discharge of said flow in untreated or partially treated form into the Sacramento River from Sump No. 1 or Sump No. 2.

Section 30–35. Deleted.

Section 36. Regional San Personnel; Local Personnel.

The County of Sacramento shall provide all personnel required for the administration, operation, and maintenance of the Regional System. Regional San shall reimburse the County of Sacramento for the reasonable actual costs incurred by the County of Sacramento in providing personnel for Regional San pursuant to this section. This section will sunset on June 30, 2024. Regional San and the County of Sacramento may, by mutual agreement, sunset this section prior to the aforementioned sunset date.

Section 37. Deleted.

Section 38. Infiltration/Inflow - Corrective Repairs.

Each Contributing Agency will complete such corrective measures to eliminate excessive inflow and infiltration as are reasonably demonstrated to be cost effective by studies conducted and funded by Regional San. Regional San and the Contributing Agencies will cooperate in the studies’ design and implementation.

Sections 39-40. Deleted.

Section 41. Rules and Regulations Concerning Use of Sewers.

Regional San has adopted an ordinance regulating the use of public sewers known as the Consolidated Ordinance and may amend the same from time to time. Each party to this Agreement shall adopt and enforce ordinances, resolutions, rules, and regulations consistent with and complementary to the Consolidated Ordinance to regulate the discharge into the sewers under its control of wastewater that would be detrimental to the Regional System. Each party to this Agreement shall also comply with the applicable statutes, rules, and regulations of Regional San and of agencies of the United States of America, and of the State of California.

Section 42. Notice.

Notices required or permitted under this Agreement shall be sufficiently given to a party if in writing and if either served personally upon or mailed by registered or certified mail to the clerk of its governing body.

Section 43. Time of the Essence.

Time is of the essence in this Agreement.

Section 44. Modification of Agreement.

Regional San and the Contributing Agencies will review this Agreement every 5 years, or sooner, to evaluate if amendments are necessary.

No term, provision, or condition of this Agreement shall be altered, amended, or departed from or be held or construed to have been waived except by the unanimous agreement and consent of all parties to this Agreement as evidenced by resolutions adopted by their respective governing bodies specifically authorizing the amendatory agreement, except as provided below.

Sections 8, 29, 38, and Exhibit A of this Agreement may be amended if approved in writing by all of the following parties: the District Engineer for Regional San and SASD; Director of Utilities for the City of Sacramento; Director of Environmental and Water Resources for the City of Folsom, and the Director of Public Works for the City of West Sacramento. Sections 25 and 36 will sunset as to the County of Sacramento on or before June 30, 2024, as specified in those sections.

Section 45. Severability.

If any paragraph, subparagraph, sentence, clause, phrase, or word of this Agreement, or the application thereof, to any party, or to any other person or circumstance is for any reason held invalid, it shall be deemed severable and the validity of the remainder of the Agreement or the application of such provision to the other parties, or to any other persons or circumstance shall not be affected thereby. Each party hereby declares that it would have entered into this Agreement and each paragraph, subparagraph, sentence, clause, phrase, and word thereof irrespective of the fact that one or more paragraphs, subparagraphs, sentences, clauses, phrases, or words, or the application thereof to any party or any other person or circumstance, be held invalid.

Section 46. Arbitration.

Any controversy or claim between any two or more parties to this Agreement, in respect to Regional San's operations, a Contributing Agency's operations, or to any claims, disputes, demands, differences, controversies, inequities or misunderstandings arising under, out of, or in relation to this Agreement, (or any subsidiary agreement executed pursuant to this Agreement), or any breach thereof, shall be submitted to and determined by arbitration. To the extent not inconsistent herewith, the rules of the American Arbitration Association shall apply. The party

desiring to initiate arbitration shall give notice of its intention to arbitrate to every other party to this Agreement. Such notice shall designate as "respondents" such other parties as the initiating party intends to have bound by any award made therein. Any party not so designated that desires to join in the arbitration may, within ten days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other party or parties it wishes to name as a respondent. Within twenty (20) days of the service of the initial demand for arbitration, the American Arbitration Association, hereinafter referred to as "AAA" shall submit simultaneously to the initiating party and to all parties named as respondents or filing a response therein, an identical list of names of persons chosen from the AAA National Panel of Arbitrators which persons shall be, to the extent possible, persons first in the field of wastewater disposal and reclamation as well as public law. Each party to the dispute shall have seven days from the mailing date in which to cross off any names to which it objects, number the remaining names indicating the order of its preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, in accordance with the designated order of mutual preference, the AAA shall invite the acceptance of an arbitrator to serve. If the parties fail to agree upon one of the persons named, or if an acceptable arbitrator is unable to act, or if for any other reason the appointment cannot be made from the submitted list, the AAA shall have the power to make the appointment of the arbitrator from other members of the panel without the submission of any additional list.

The arbitrator shall determine the rights of the parties in accordance with the law, and the award shall be subject to review as to the arbitrator's application of the law by any court having jurisdiction thereof, whether or not any mistake of law shall appear upon the face of the award. As to all questions of facts, however, the determination of the arbitrator shall be binding upon all parties and shall be final. Any party shall be entitled to written findings of fact and conclusions of law as to all issues determined by the award. Subject to the above limitations, the award shall be binding upon all parties to the arbitration and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

The arbitrator may, in his or her discretion, as part of the arbitration award, impose upon any one party or allocate among two or more of the parties, the liability for the arbitration fees and expenses. Such allocable fees may include the initial administration fees, fees for second and subsequent hearings, postponement fees, and overtime fees. Allocable expenses may include the expenses of producing witnesses, the cost of stenographic records, the cost of any transcripts, travel expenses of the arbitrator and tribunal administrator, the expenses of any witnesses, the costs of any proofs produced at the direct request of the arbitrator, and any other expenses relating directly to the arbitration. In the event of the failure of the arbitrator to provide for the allocation of such fees and expenses, the arbitration fees shall be divided equally between the parties and the expenses shall be borne by the party incurring them.

Section 47. Deleted.

Section 48. Auditing Records.

Regional San shall have the authority to appoint such auditors as it deems necessary for the

examination of financial records of Contributing Agencies to determine compliance with this Agreement. Contributing Agencies shall make available to such auditors all requested records and will assist and cooperate with the auditors in their efforts. Specific records requirements will be detailed in the billing and collection agreements. Examples of required documentation may include reasonable efforts to collect delinquent charges; details of uncollectable charges; and account billing information by parcel.

Section 49. Delayed Payments.

Whenever any party to this Agreement shall have failed to make any payment required of it by the provisions of this Agreement on or before the date provided for such payment, such party shall pay, in addition to said payment, interest thereon at the rate of seven percent (7%) per annum for and during the period of such delay. Nothing herein contained, however, shall be deemed to authorize or condone any delay in making any such payments.

Section 50. Failure of Regional System to Properly Treat Wastewater.

It is understood and agreed that Regional San, in granting to Contributing Agencies the rights herein specified to discharge wastewater into the Regional System and to have such wastewater conveyed, treated and disposed of in said system, is not warranting or guaranteeing that the Regional System will be able to satisfactorily treat such wastewater. In the event the Regional System should for any reason be incapable of satisfactorily conveying, treating, or disposing of wastewater discharged into the same by Contributing Agencies and by all other parties now or hereafter authorized to discharge wastewater therein, Regional San shall in no way be liable to Contributing Agencies for any damages arising or resulting from or suffered because of the failure of the Regional System to satisfactorily receive, hold, treat, or otherwise dispose of wastewater, provided, however, that Regional San shall not knowingly permit to be discharged into Regional System any wastewater at rates of flow, strength or other characteristics inconsistent with those for which the Regional System is designed to handle or has been shown capable of handling by prior experience.

Section 51. Successors and Assigns.

It is mutually agreed by all the parties hereto that the agreements, covenants, conditions, limitations, restrictions, and undertakings herein contained shall apply to and bind the successors and assigns of the respective parties hereto as if they were in all cases named.

Section 52. Termination of Existing Agreements.

Concurrent with the execution of this Agreement, the 1974 MIA is hereby superseded by this Agreement. Additionally, the Wastewater Services Agreement between the City of West Sacramento and the Sacramento Regional County Sanitation District, Contract No. 70241, dated March 31, 2004, will terminate upon execution of this Agreement.

Section 53. Mutual Indemnification.

No party to this Agreement nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other party to this Agreement under or in connection with any work, authority or jurisdiction delegated to said other party under this Agreement. It is also understood and agreed that, pursuant to California Government Code Section 895.4, each party to this Agreement shall fully indemnify and hold each other party to this Agreement harmless from any liability imposed for injury (as defined by California Government Code Section 810.8) 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.

Section 54. Removal of County of Sacramento as a Party.

Effective June 30, 2024 when Sections 25 and 36 sunset (or sooner if Regional San and County of Sacramento mutually agree), the County of Sacramento will no longer be a party to this Agreement.

Section 55. Document Precedence

In the event of a conflict between any of the agreements or ordinances listed below, the following sequence governs, with each agreement or ordinance superior to the agreement or ordinance listed thereafter.

1. This Master Interagency Agreement
2. Regional San Consolidated Ordinance
3. Operating Agreements
4. Other agreements between Regional San and a Contributing Agency

DCS Contract No. 50000210
SACRAMENTO REGIONAL COUNTY
SANITATION DISTRICT, a political
subdivision of the State of California

By _____
District Engineer

ATTEST:

Clerk

CITY OF FOLSOM, a municipal corporation

By _____
City Manager

ATTEST:

City Clerk

CITY OF SACRAMENTO, a municipal
corporation

By _____
Mayor

ATTEST:

City Clerk

CITY OF WEST SACRAMENTO, a municipal
corporation

By _____
Mayor

ATTEST:

City Clerk

COUNTY OF SACRAMENTO, a political
subdivision of the State of California

By _____
Chair

ATTEST:

Clerk

SACRAMENTO AREA SEWER DISTRICT,
a political subdivision of the State of California

By _____
District Engineer

ATTEST:

Clerk

APPROVED AS TO FORM:

City Attorney, City of Folsom

APPROVED AS TO FORM:

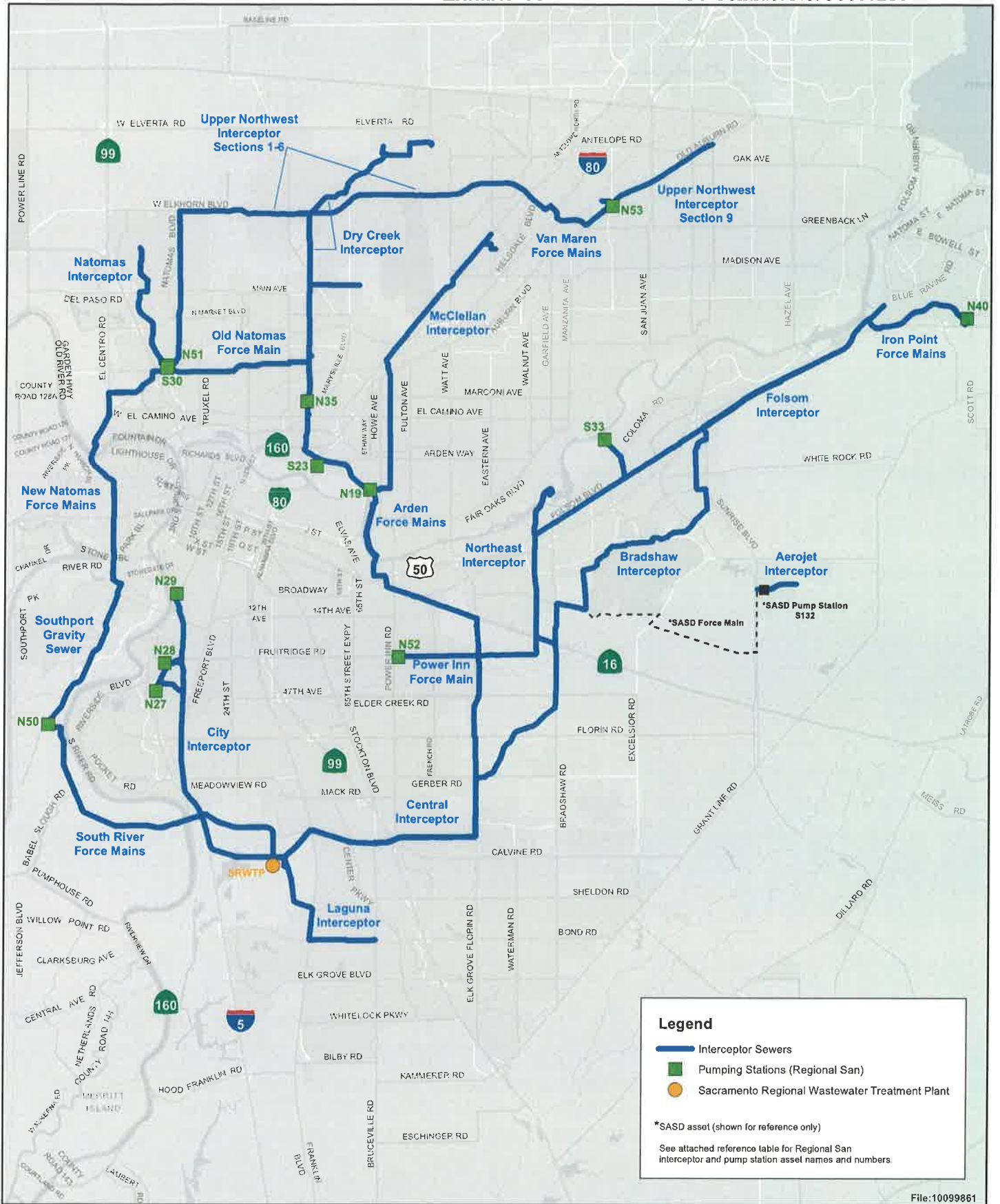
City Attorney, City of Sacramento

APPROVED AS TO FORM:

City Attorney, City of West Sacramento

APPROVED AS TO FORM:

County Counsel, for County of Sacramento,
Regional San and SASD



File:10099861



Regional San Interceptor Sewer System



Regional San Interceptor Sewer System Index



Interceptors & Pumping Stations

Facility Number	Facility Name
N17	Dry Creek Interceptor
N19	Arden Sewage Pumping Station & Force Mains
N21	Central Interceptor
N23	Folsom Interceptor
N24	Northeast Interceptor
N25	City Interceptor
N27	Sump 55 Sewage Pumping Station & Force Mains
N28	Sump 119 Sewage Pumping Station & Force Main
N29	Sump 2A Sewage Pumping Station & Force Main
N32	Natomas Interceptor
N33	McClellan Interceptor
N35	Sump 76 Sewage Pumping Station & Force Main
N37	Folsom East Interceptor
N38	Bradshaw Interceptor
N39	Laguna Interceptor
N40	Iron Point Sewage Pumping Station & Force Mains
N47	Aerojet Interceptor
N50	South River Sewage Pumping Station & Force Mains
N51	New Natomas Sewage Pumping Station & Force Mains
N52	Power Inn Sewage Pumping Station & Force Main
N53	Van Maren Sewage Pumping Station & Force Mains
N55	Southport Gravity Sewer
N56	Upper Northwest Interceptor Section 9
N57	Upper Northwest Interceptor Sections 1-6
S23	County Sanitation District 2 Sewage Pumping Station
S30	Old Natomas Sewage Pumping Station & Force Main
S33	Cordova Sewage Pumping Station & Force Main