

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: September 17, 2018

Reviewed by: NA

SUBJECT: Approval of Joint Exercise of Powers Agreement Establishing and Governing Operation of the Collection System Technical Advisory Committee and Related Side Agreement

REPORT BY: Christopher Ablaza, Assistant Engineer
Mark Hurley, Public Works Director/City Engineer

SUMMARY

The issue before the Council is approval of a Joint Powers Exercise Agreement (JPA) and a side agreement between and among the City and the seven other cities and agencies that are part of the 2014 Consent Decree (CD) in *United States et al. v. EBMUD et al.* The JPA establishes the Collection System Technical Advisory Committee (CSTAC) and provides a governing structure for the committee's operations. The side agreement provides a framework for the eight CD agencies to work together on future interrelated requirements of the CD.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2018-114 authorizing the City Manager to execute the Joint Exercise of Powers Agreement establishing the Collection System Technical Advisory Committee and related Defendants' Side Agreement.

BACKGROUND

The City is a Defendant in the September 2014 Consent Decree (CD) issued by the Federal Government and State of California. The eight Defendants include EBMUD and the seven agencies tributary to the EBMUD wastewater system of wet weather facilities and wastewater treatment plant. The CD requires significant work by all Defendants over a 24-year period with the purpose of eliminating the use of wet weather facilities for flows up to and including design storm events, includes penalties for failure to complete work and failure to meet flow reductions, and processes for potential revisions to future work if flow reductions are not achieved as planned. The Defendants are linked through their use of wet weather facilities during high flow periods, as well as through their joint use of the EBMUD treatment plant. The work and the effectiveness (or not) of work in individual Defendant's systems affects the results of the entire system, so there is a definite interrelationship that necessitates the need for good communications and joint efforts in the Defendant group.

The City already has a formal relationship with EBMUD and the six other wastewater "satellite" agencies (members) that are tributary to EBMUD via an existing joint powers agreement (existing JPA) that was adopted in 1979 and amended in 1986. This existing JPA formed no new public entity and was developed in response to the need for these agencies to combine resources to address inflow/infiltration regulatory concerns and orders in the 1970s and 1980s. The existing JPA has enabled the agencies to contract for and administer common collection system services, realizing cost savings over contracting as individual agencies because of the economies of scale evident due to the magnitude of the contracts. EBMUD serves as the lead agency and is responsible for entering into contracts on behalf of the agencies and providing financial and administrative services to the group.

The existing JPA is outdated in that the specific stated purposes for it are outlived or superseded, it is not applicable to current issues and requirements the agencies face, and a new agreement needs to be made to address requirements in the 2014 CD to which all members are subject. The revised JPA agreement was developed with the input and review of all eight JPA members. Like the previous JPA, this revised JPA forms no new public entity.

Additionally, CSTAC also recognized the possibility that revised work and evaluation plans may be imposed by the terms of the CD, and these plans may cause interrelated activities and requirements for some or all the Defendants or JPA members. It was also recognized that there could be disputes among the members regarding these potential plans and an agreement was needed in advance of the time such plans may be developed; members are related or linked through their use of downstream wet weather facilities and the EBMUD treatment plant, so successful flow reduction in individual members systems affects overall results of all members. Therefore, the staffs of the member agencies initiated a project to develop this "side agreement" to a new or revised JPA to define how any future imposed work plans would be devised and implemented by Defendants or members. The side agreement was developed with the input and review of all eight JPA members.

DISCUSSION

The new JPA that will provide the means for the members to:

- Coordinate on engineering, consulting, and possible legal services for the development, preparation and implementation of studies, reports, and projects to address NPDES permit conditions for the members
- Jointly fund efforts related to the regional system for wastewater collection, transmission and treatment, including fats, oils, and greases (FOG) services and agreed-upon professional services
- Facilitate the efficient flow of information among the members and the filing of joint reports to appropriate recipients, including regulatory agencies

The new JPA includes the following:

- Ability to designate one or more members as being responsible for financial and administrative matters
- Financial responsibility of each member for administrative overhead costs, as well as proportional responsibility for each contractual commitment
- A governance structure comprised of representatives from each of the signatory agencies, and the authority regarding decision-making and contracting
- An opt-out provision for contracts entered into - participation in contracts is discretionary, at the option of each member so no member is obligated to participate in any contract unless it so chooses
- The ability of a member to withdraw from the JPA
- Ability to designate one member to be responsible for banking and recordkeeping, and the process for replacing that member if required or necessary

The side agreement includes the following:

- A specified arbitration process to settle any disagreements among the CD Defendants (members) regarding Revised Work Plans that could potentially be required under the terms of the CD
- Roles and Responsibilities for all Defendants other than Berkeley regarding the Private Sewer Lateral (PSL) program
- Cost Allocation for Performance Evaluation Plan (PEP) implementation if a PEP is required under the terms of the CD

It is important that this side agreement is approved prior to the potential, future imposition of revised work plans or PEPs a few years from now, since the Defendants could likely have significant disagreements as to these plans if they are imposed, rendering unanimous agreement in the future difficult.

FINANCIAL IMPACT

The new JPA should result in cost savings for contracted common services that would otherwise be contracted for directly by the City.

ATTACHMENT

1. Resolution No. 2018-114 Authorizing Approval of JPA Agreement Establishing Operation of CSTAC and related Defendants' Side Agreement
2. Joint Exercise of Powers Agreement
3. Defendants' Side Agreement

**JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING AND GOVERNING OPERATION
OF THE COLLECTION SYSTEM TECHNICAL ADVISORY COMMITTEE**

This Joint Exercise of Powers Agreement (“Agreement”) is made and entered into by and between the following owners and operators and community sewer systems: CITY OF ALAMEDA, CITY OF ALBANY, CITY OF BERKELEY, CITY OF EMERYVILLE, CITY OF OAKLAND, CITY OF PIEDMONT and STEGE SANITARY DISTRICT (all hereinafter referred to as “Communities”) and EAST BAY MUNICIPAL UTILITY DISTRICT (hereinafter referred to as “District”), jointly hereinafter referred to as Collection System Technical Advisory Committee (“CSTAC”) Agencies (“CSTAC Agencies” or individual Communities or the District as an “Agency” or a “CSTAC Agency”).

RECITALS

A. Communities own, operate and maintain community sewer systems for the collection and transport of sewage and industrial wastes from residents and industries within the boundaries of the Special District No. One of District.

B. District owns, operates and maintains interceptors and sewage treatment facilities for the interception and treatment of sewage and industrial wastes flowing from said Communities’ sewer systems.

C. In February 1975, District did, with the assistance and cooperation of Communities, file with the Regional Water Quality Control Board, and the governing bodies of Communities, that certain report entitled, “The Control of Wet Weather Overflows” and said report did include an infiltration and inflow analysis of the respective sewer systems of said Communities, as well as the interceptor facilities of District and did recommend the development of certain alternatives for further study to develop projects for the control of wet weather flows and said alternatives consist generally of Project A (Sewer System Evaluation Study and Infiltration-Inflow Control) to be undertaken by Communities by separating combined sewers and disconnecting roof leaders, yard drains and catch basins and of Project B (wet weather flow storage-treatment) to be undertaken by District by constructing storage and treatment facilities to reduce overflows from the interceptor and treatment plan systems.

D. The CSTAC Agencies entered into that certain “Joint Exercise Powers Agreement for Control of Wet Weather Overflows and Bypasses” dated February 13,

1979, for the purpose of establishing responsibilities with respect to further study of the alternatives to address wet weather overflows.

E. In September 1984, National Pollutant Discharge Elimination Systems (NPDES) permits were issued to CSTAC Agencies which require control of wet weather overflows.

F. On January 17, 1986, the CSTAC Agencies amended the February 13, 1979, agreement to provide for the 5-year initial phase of implementation of wet weather overflow study recommendations and provide for the performance of joint efforts to carry out wet weather implementation programs described therein.

G. In furtherance of the study recommendations, District designed and constructed three (3) Wet Weather Facilities (“WWFs”) during the period between 1987 and 1996 that provide primary treatment and disinfection of peak flows that would otherwise be discharged untreated into the San Francisco Bay.

H. The United States Environmental Protection Agency (“EPA”) and the California State Water Resources Control Board (“State Water Board”) determined in 2004 and 2007, respectively, that the WWFs do not provide the level of treatment required by law, and California Regional Water Quality Control Board, San Francisco Bay Region (“Regional Water Board”) subsequently reissued the District’s WWF NPDES permit on January 14, 2009, and such reissued permit prohibited further discharges from the WWFs.

I. On January 15, 2009, Plaintiff United States of America (“United States”), on behalf of the EPA and Plaintiff People of the State of California *ex rel.*, State Water Board and Regional Water Board (together with the State Water Board, “Water Boards”) filed a complaint against the District pursuant to section 309 of the Clean Water Act (“CWA”), 33 U.S.C. § 1319, and Cal. Water Code sections 13376, 13385 and 13386, in *United States, et al. v. East Bay Municipal Utility District*, Case No. C 09-00186 RS (N.D. Cal.) (“District Litigation”).

J. Inflow and Infiltration of stormwater into the Communities collection systems and sewer laterals during severe wet weather events - via cross-connections, cracks and other imperfections in system pipes, joints and manholes - can lead to a greater-than-10-fold increase in the volume of wastewater that reaches the District’s interceptor system. During such severe wet weather events, partially treated discharges from the WWFs are discharged to the San Francisco Bay.

K. Reduction of inflow and infiltration requires the active participation of the Communities. On December 3, 2009, the United States, on behalf of the EPA, filed a complaint against the Communities pursuant to section 309 of the CWA, 33 U.S.C. § 1319, in *United States, et al. v. City of Alameda, et al.*, Case No. C 09-05684 RS (N.D. Cal.) (“Communities Litigation”).

L. The complaint filed in the Communities Litigation alleged that the Communities have discharged pollutants without a permit in violation of CWA section 301(a), 33 U.S.C. § 1311(a), and have discharged pollutants and failed to properly operate and maintain their sanitary sewage collection systems in violation of the terms and conditions of their NPDES Permits. The complaint joined the State of California to this action pursuant to section 309(e) of the CWA, 33 U.S.C. § 1319(e).

M. On September 22, 2014, the court entered a Consent Decree resulting from the District Litigation and Communities Litigation brought by the EPA against the CSTAC Agencies. The work required by the Consent Decree represents a comprehensive regional asset management approach by eight (8) different agencies and is based on complex and evolving hydrologic and hydraulic modeling. The term of the Consent Decree, including the ultimate compliance deadline for eliminating discharges from the last WWF by the end of 2035, represents CSTAC Agencies’ understanding regarding an achievable timeline based on current information.

NOW, THEREFORE, the CSTAC Agencies hereto agree as follows:

1. Purpose. CSTAC Agencies wish to enter into this Agreement to establish and govern the operation of the CSTAC. The CSTAC is a decision-making body formed of representatives of the member agencies but is not an agency or entity separate from its members. The purpose of the CSTAC is to provide means for the CSTAC Agencies to do all of the following: (1) coordinate on engineering, consulting, and potentially legal services for the development, preparation and implementation of studies, reports and projects to address NPDES permit conditions for the CSTAC Agencies and additional legal or regulatory requirements applicable to the regional wastewater collection, transmission, and treatment system, and (2) jointly fund efforts related to the regional system for wastewater collection, transmission, and treatment, as may be agreed to by the CSTAC Agencies in accordance with this Agreement, which may include payment for Communities’ fats, oils and grease (FOG) services and agreed upon professional consultant services, and (3) facilitate the efficient flow of information among the parties and the filing of joint reports to appropriate recipients.

2. Decision Making Structure. Decisions regarding the actions of CSTAC including decisions regarding which projects to pursue and fund, will be made by a committee made up of one (1) designated staff representative from each CSTAC Agency. This body of CSTAC Agency staff representatives shall be referred to as the "Committee." Each designated representative will have the authority to vote on behalf of that Agency, and one or more designated alternates will have the authority to vote on behalf of that Agency when the designated representative is absent or in the case of a conflict of interest. Each Agency shall have one (1) vote on the Committee. Except for voting on the annual budget, and special, unbudgeted, or outside projects, all other CSTAC decisions will require a minimum of a majority of affirmative votes by designated representatives or designated alternates of all CSTAC Agencies.

(a) Committee Meetings. A quorum shall be present or present by telephone for all Committee meetings. A quorum is a simple majority of CSTAC member agencies. Votes may be taken by voice vote or from the designated representatives present or attending by telephone at a noticed Committee meeting. Written votes may be submitted on behalf of a CSTAC Agency at a meeting when neither the designated representative nor the designated alternate can be present at the meeting or attend by telephone.

CSTAC shall elect a chair and vice chair as its officers annually at the first meeting of the fiscal year or as soon thereafter as is practical. The election may be administered by a written vote of CSTAC Agencies tabulated by the "Administrative Agency" (discussed in Section 3), if difficulty in obtaining a quorum, resignation or unavailability of officers or other occurrence prevents holding of an election at a Committee meeting early in a fiscal year. Each officer may serve for two (2) consecutive years in either of the positions. Additional sequential terms may be permitted by a supermajority vote of CSTAC Agency representatives as set forth below.

(b) Fiscal Year. This Agreement and all decisions made herein shall operate on a fiscal year basis, where such fiscal year commences on July 1 and ends on June 30. All references to "annual" or "annually" in this Agreement relate to the fiscal year.

(c) Annual Budget. The scope of the work to be performed will be determined annually as part of the annual budget. The Committee shall annually prepare and adopt a budget prior to the beginning of each fiscal year, and no later than June 30 of each year. To adopt or modify the annual budget or approve any

unbudgeted projects, a minimum of seven (7) affirmative votes of the Committee members will be required. The budget shall include, but not be limited to, anticipated total annual expenditures, other contemplated expenditures, and any contingency reserve amount. The budget shall also contain sufficient detail to specify the anticipated projects and administrative costs for the fiscal year, a basis for the annual contribution of each Agency, and the total amount of administrative costs that will be reimbursed to the Administrative Agency or a procedure for effecting such reimbursement.

If fewer than eight (8) CSTAC Agencies remain parties to this Agreement due to withdrawal or termination in subsequent years, then a supermajority of affirmative votes of the remaining CSTAC Agencies is required in order to adopt or modify the annual budget or approve any unbudgeted projects. A supermajority is determined as follows: if seven (7) CSTAC Agencies remain then six (6) votes are required; if six (6) CSTAC Agencies remain, then five (5) votes are required; if five (5) CSTAC Agencies remain, then four (4) votes are required; if four (4) CSTAC Agencies remain, then three (3) votes are required. The term "supermajority" as used elsewhere in this Agreement shall have the meaning set forth in this paragraph.

(d) Joint and Special Projects. Joint projects are those that are undertaken jointly by CSTAC Agencies and provide a measure of benefit to all CSTAC Agencies. Joint projects typically will be approved through the annual budget process. As benefits may differ among CSTAC Agencies for joint projects, the proportionate funding responsibility for joint projects will be designated through the annual budget process.

Special projects are those that are undertaken through this CSTAC Agreement and are set forth in the annual budget, but where one or more CSTAC Agencies will not participate. A non-participating CSTAC Agency will not be required to fund the costs associated with a special project, such special project shall be the separate responsibility of the participating agencies. Any contract, obligation, or liability related to such project shall not constitute a debt, liability, or obligation of such non-participating CSTAC Agency. All CSTAC Agencies participating in a special project must vote favorably to the inclusion of the special project in the budget and the cost sharing proportion set forth therein.

(e) Unbudgeted Project Approval. Unbudgeted projects are projects that: (a) were either not included in the annual budget (new projects); or (b) pertain to projects that were included in the budget, but require supplemental

authorization to carry out additional activities that were not contemplated in the budget. Both new projects and projects that require supplemental authorization shall be approved by a minimum of seven (7) affirmative votes of the CSTAC Agencies or a supermajority of affirmative (as described in Section 2(c) above) votes if fewer than eight (8) CSTAC Agencies remain parties to the Agreement.

If the annual budget is not sufficient to fund the unbudgeted project, then within forty-five (45) days of the unbudgeted project's approval, the Administrative Agency shall conduct an evaluation of the CSTAC Agencies' ability to pay the unfunded portion of unbudgeted project costs and take appropriate steps to prevent project costs in excess of any Agency's ability to fund its cost share.

Any Agency may choose to opt out of any unbudgeted project at the time of its approval and will not be required to contribute funds toward such a project. If one or more of the CSTAC Agencies opt out of an unbudgeted project, then said project will be deemed an outside project.

(f) Outside Projects. Outside projects are projects that were not included in the annual budget and that only some CSTAC Agencies choose to pursue. At least two (2) CSTAC Agencies must participate in an outside project. Agencies wishing to participate in an outside project must unanimously approve the outside project. Participating agencies will allocate and assess costs separately from joint and special projects. Agencies that do not participate in the outside project will not be required to contribute funds toward the outside project, and the outside projects shall be the separate responsibility of the participating agencies. Any contract, obligation, or liability related to such project shall not constitute a debt, liability, or obligation of such non-participating CSTAC Agency. If requested and authorized by the participating Agencies, the Administrative Agency may also serve as Administrative Agency for the outside project, and shall account for all finances of the outside projects and projects undertaken pursuant to this Agreement entirely separately.

3. Administrative Agency and Financial Agent: Authority, Responsibilities and Duties.

(a) One of the CSTAC Agencies shall serve as the "Administrative Agency" and in that role shall administer the projects undertaken jointly pursuant to this Agreement to accomplish the purposes of this Agreement, subject to the limitations herein set forth.

(b) The Committee may select the Administrative Agency with a minimum of six (6) affirmative votes, or by a supermajority vote as described in Section 2(c) if fewer than eight (8) agencies remain CSTAC members. The District and Stege Sanitary District have agreed to initially continue to assume their existing roles of serving as the Administrative Agency for selected tasks for the remainder of the fiscal year in which this Agreement becomes effective, and for the first full fiscal year that follows. The District has also agreed to continue to act as the “Financial Agent” (as defined in Section 3(h) below) for that same period.

(c) Neither the Administrative Agency nor CSTAC will authorize any work in a Community without the concurrence of the designated representative of the Community.

(d) The Administrative Agency shall perform routine administrative and legal functions incident to the administration of approved CSTAC projects.

(e) The Administrative Agency shall be responsible for administering the services on behalf of the CSTAC Agencies provided by engineers, consultants or attorneys.

The Administrative Agency may enter into contracts on behalf of the CSTAC Agencies without specific Committee approval, provided that the contract is within the adopted annual budgetary authorization, and that the total aggregate annual value of each contract does not exceed Fifteen Thousand Dollars (\$15,000.00). Contracts that are not consistent with the approved annual budget or exceed a total aggregate annual value of Fifteen Thousand Dollars (\$15,000.00) shall require specific Committee approval separate from the annual budget and a minimum of six (6) affirmative votes of the CSTAC members or a supermajority if there are less than eight (8) CSTAC members. This not-to-exceed Administrative Agency contracting limit may be adjusted from time to time by a supermajority vote of the Committee. The Administrative Agency shall procure such contracts in a manner that complies with the contracting laws, policies, and practices that govern the Administrative Agency.

(f) The Administrative Agency will be responsible for making payments, or authorizing payments if the Administrative Agency is not the Financial Agent of CSTAC. This authority shall include payments to engineers, consultants or attorneys on behalf of the CSTAC Agencies. The Administrative Agency shall provide regular financial reports to the Committee of all payments made and outstanding

balances remaining on all projects. No payments shall be made in excess of the authorized project amount without unanimous approval of the Committee.

(g) The term of the Administrative Agency shall be at least one (1) full fiscal year. The Administrative Agency may resign its position as Administrative Agency upon written notice to all CSTAC Agencies within one hundred twenty (120) days prior to the end of the fiscal year. Unless otherwise agreed to by the Administrative Agency and a majority of CSTAC members, the last day of the fiscal year shall be the effective date of resignation. Upon resignation, the successor Administrative Agency shall direct the prior Administrative Agency to transfer or cause to have transferred to it all funds held on behalf of the CSTAC Agencies, CSTAC records and financial statements that were in the prior Administrative Agency's possession. The prior Administrative Agency shall also take any further action necessary to effectuate the transfer of Administrative Agency duties and responsibilities as directed by a majority of CSTAC members.

The successor Administrative Agency shall be chosen by a supermajority vote of the CSTAC as is set forth above for the initial selection of the Administrative Agency. If thirty (30) days after the resignation effective date no successor Administrative Agency is designated or no alternative administrative protocol is adopted by a vote of the CSTAC, this Agreement shall terminate and the prior Administrative Agency shall, with the assistance of the Financial Agent, distribute all property held on behalf of the CSTAC Agencies pursuant to Section 11.

(h) Either the Administrative Agency or another CSTAC Agency will be the Financial Agent of the CSTAC Agencies, subject to CSTAC approval by majority vote. The Financial Agent will be the depositor, and will have custody of all money of the CSTAC Agencies, strictly accounting for all CSTAC Agency funds held pursuant to this Agreement in trust in a segregated, interest bearing account. Any CSTAC Agency that assumes the role of Financial Agent must keep sufficient records that would allow appropriate review by an outside auditor at any time, at the request of the Administrative Agency or a majority of the CSTAC Agencies. The Administrative Agency's financial activities shall also be subject to an outside audit at any time, at the request of a majority of the CSTAC Agencies. For the remainder of the fiscal year in which this Agreement becomes effective, and for the first full fiscal year that follows, the District has agreed to act as the Financial Agent.

(i) There may be circumstances where it benefits CSTAC to designate a second Agency to serve as the Administrative Agency for one or more CSTAC projects. This may occur to facilitate ease of contracting and procurement of

consultants, or when a CSTAC Agency has a special interest or experience related to one or more CSTAC projects or programs. A second Community or the District may be designated as an Administrative Agency for designated projects or programs by a supermajority vote of the Committee. The term and scope of that Agency's administrative responsibilities shall be set forth by the Committee consistent with the general provisions for the Administrative Agency set forth herein. The authority and responsibility of any Agency providing Administrative Agency functions at the time this Agreement becomes effective shall continue at least until the end of the first full fiscal year, consistent with Section 3(g) above.

4. Cost Estimate and Proportionate Community Share.

(a) Distribution of Costs. Except as provided herein with respect to the participation in and funding of outside projects, each of the CSTAC Agencies agrees to contribute its annual share of the estimated project costs based upon the approved allocations adopted with the annual budget or as designated and approved subsequent to the adoption of the annual budget.

Upon approval of the annual budget or any approved mid-year project, each of the CSTAC Agencies agrees to contribute its share of the costs in cash and/or creditable goods, materials, supplies or services as agreed to at the time of such approval. Creditable goods, materials, supplies or services are those goods, materials, supplies or services that are properly chargeable to the relevant project. None of the signatories to this Agreement shall be entitled to a credit for goods, materials, supplies or services furnished unless the credit has been previously approved by CSTAC. In allocating costs to the CSTAC Agencies hereto, the Administrative Agency shall give credit for the furnishing of such creditable goods, materials, supplies or services. When creditable goods, materials, supplies and services are furnished by CSTAC Agencies, they shall be charged for and invoiced in accordance with the accounting practices of the particular Agency unless otherwise agreed to in advance by CSTAC .

No compensation shall be paid under the terms of this Agreement to any member of the CSTAC for services rendered in such capacity.

Each party's financial obligation hereunder is expressly limited to the appropriation and contribution of such funds as are provided for in this Agreement.

(b) Administrative Costs. The Administrative Agency shall be reimbursed for its reasonable direct and indirect administrative costs incurred,

commencing upon execution of this Agreement. In accounting for donated labor services, reimbursement shall be made at the rate of one hundred ten (110) percent of the Administrative Agency's labor charges for employees working on administrative tasks for the CSTAC Agency. For any period of less than one (1) month, said charge shall be prorated.

In accounting for goods, materials, supplies and services (other than labor services) furnished by Administrative Agency under this Agreement, actual cash value, rental values, or hourly rate shall be used in accordance with the Administrative Agency's standard accounting practices and in accordance with any applicable state and federal grant guidelines. The Administrative Agency shall provide CSTAC with a budget of anticipated administrative costs and shall make periodic reports, at least annually, to said CSTAC. Said budget shall be approved by two-thirds (2/3) of the members of the Committee. The Administrative Agency and the Financial Agent shall be strictly accountable for all funds received and expended on behalf of the CSTAC Agency.

5. Revolving Fund. In order to provide funds for all expenditures authorized by this Agreement, including Administrative Agency administrative costs, and to facilitate the administration of this Agreement, a revolving fund shall be established as provided herein. On or about July 1 of each year, after CSTAC adopts the annual budget, the Financial Agent shall send an invoice to each CSTAC Agency that sets forth that Agency's total annual allocated costs of the work ("budget payments"). On or before August 1 of each year, each CSTAC Agency shall remit to the Financial Agent a minimum of one-half (1/2) of that Agency's annual budget payments, which money the Financial Agent shall hold solely for payment to consultants for services rendered. Each Agency shall remit its other half of budget payments due to the Financial Agent on or before December 20 of each year.

Upon the Financial Agent's determination that monies submitted by the CSTAC Agencies have been or will be exhausted, the Financial Agent, in coordination with the Administrative Agency, shall notify each CSTAC Agency of its share of the costs of the work, and each CSTAC Agency shall promptly deposit its share with the Financial Agent. Each CSTAC Agency's share shall be fixed in the same proportion as that Agency's proportion of the general annual budget, unless the shortfall is due to costs resulting from special projects for which the Agency did not participate or contributed an agreed to, customized share. No reimbursements shall be made to any Agency until said share is deposited with the Financial Agent. CSTAC Agencies

shall be responsible for submitting payment to the Financial Agent for any additional invoices no later than ten (10) days before each payment is due.

If, in the Financial Agent's determination, there are sufficient funds in the revolving fund at the time the annual budget payments would be due, the Financial Agent will notify the CSTAC Agencies that their annual budget payments need not be paid for that year, or that the payments may be reduced by any carry over balances from the preceding annual budget. The Financial Agent's notification that annual budget payments are not required or have been reduced shall not excuse the CSTAC Agencies from their ongoing obligations to fund payment of work.

6. Payments. Pursuant to this Agreement, all payments shall be by check, warrant or electronic transfer. The Administrative Agency and/or the Financial Agent shall indicate the address where payments shall be sent and to whom payments shall be made payable.

7. Effective Date and Term. The Effective Date of this Agreement shall be the first date that it has been signed by at least six (6) CSTAC Agencies. The initial term of this Agreement shall be two (2) years from the Effective Date. For CSTAC Agencies that remain active parties to this Agreement, the term shall automatically renew in one (1) year increments unless and until the Agreement is terminated by mutual written agreement of the CSTAC Agencies or as otherwise provided for in Section 11, provided that any CSTAC Agency may withdraw from the Agreement as provided in Section 9.

8. Notices. Notices and invoices shall be delivered to the CSTAC Agencies at the following addresses via U.S. mail:

City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501

City of Albany
1000 San Pablo Avenue
Albany, CA 94706

City of Berkeley
2180 Milvia Street
Berkeley, CA 94704

City of Emeryville
1333 Park Avenue
Emeryville, CA 94608

City of Oakland
One Frank Ogawa Plaza
Oakland, CA 94612

City of Piedmont
120 Vista Avenue
Piedmont, CA 94611

East Bay Municipal Utility District
375 11th Street
Oakland, CA 94607

Stege Sanitary District
7500 Schmidt Lane
El Cerrito, CA 94530

9. Withdrawal. Any CSTAC Agency may withdraw from this Agreement by providing no less than ninety (90) days written notice prior to the end of the fiscal year. Any CSTAC Agency that does not provide requisite notice to withdraw shall automatically remain as an active member of this Agreement. A withdrawing CSTAC Agency shall still be financially responsible for its shared costs for any work done or continuing thereafter while it was a party to this Agreement, including pre-authorized work continuing thereafter. The withdrawing CSTAC Agency's financial responsibility is limited to work performed, or costs approved, during the fiscal year in which notice of withdrawal is given, unless a specific CSTAC supermajority approval was provided for multi-year funding of a joint project prior to the notice of withdrawal and the withdrawing Agency voted affirmatively. The Administrative Agency shall calculate any amount owed by the withdrawing Agency for its share of costs of the annual budget, and the Agency's withdrawal will be effective upon proper notice and payment to the Administrative Agency of its remaining annual budget share. The withdrawing Agency shall have no right to receive any proportional share of any net surplus that may result from the last year's annual budget. However, CSTAC has authority to direct any distribution to the withdrawn Agency that CSTAC deems appropriate.

10. Default and Remedies. If a CSTAC Agency fails to make a payment or to provide assurances within fifteen (15) business days after receipt of notice given by the Administrative Agency of such non-payment, that Agency shall be in default of this Agreement (“Defaulting Agency”) and the Administrative Agency may suspend the provision of services under this Agreement for that CSTAC Agency. A minimum of five (5) affirmative votes of the CSTAC are required to suspend or terminate this Agreement with respect to a Defaulting Agency provided there are eight (8) CSTAC Agencies prior to termination. A supermajority applies if there are fewer remaining members as described in Section 2(c).

CSTAC may also take such other action to remedy the default. The suspension or termination of this Agreement will not terminate, waive or otherwise discharge any ongoing liability for payment arising from this Agreement until such obligations are satisfied in full. In the event a Defaulting Agency is terminated, this Agreement will not automatically renew for the Defaulting Agency, and a simple majority vote of remaining CSTAC members is required to reinstate the Defaulting Agency. Following termination of any Defaulting Agency, the remaining CSTAC Agencies shall cooperate and act in good faith to negotiate and agree upon the method of reallocating the costs attributable to the terminated Defaulting Agency.

11. Termination and Disposition of Funds upon Termination. This Agreement shall terminate upon the earliest occurrence of any of the following: (a) mutual written agreement of all CSTAC Agencies that remain parties to the Agreement; (b) if CSTAC members are unable to obtain the required affirmative supermajority of votes to approve the next year’s annual budget; (c) if a successor Administrative Agency is not timely designated; or (d) if all CSTAC Agencies have withdrawn from the Agreement. Upon termination of this Agreement, and after payment of all engineering, consultant, and legal obligations, all assets remaining in the Revolving Fund, including any interest earned on deposits shall be distributed to any remaining CSTAC Agencies. Assets available for distribution shall be returned to the members remaining at the time of dissolution in a manner consistent with and in proportion to each remaining Agency’s respective contribution. Similarly, any liabilities in excess of the assets held by the Administrative Agency on behalf of the CSTAC Agencies at the time of dissolution shall be assessed against those CSTAC Agencies, and the CSTAC Agencies shall be responsible for such liabilities.

12. CSTAC Agencies not Agents; Indemnification.

(a) With the exception of the Administrative Agency when performing its duties as Administrative Agency and the Financial Agent when

performing its duties as Financial Agent, in the performance of this Agreement, each Agency and its agents, employees, and contractors shall act in an independent capacity and not as officers, employees or agents of any other Agency.

(b) Costs and liabilities associated with paying the Administrative Agency, engineers, consultants, or attorneys, and the funding of joint projects, shall be allocated in accordance with Section 4. Costs and liabilities related to the funding of special projects shall be allocated in accordance with Section 4, subject to the exclusions provided for the benefit of non-participating agencies in Section 2(d). Costs and liabilities for outside projects shall be allocated between the participating CSTAC Agencies and set forth in a separate side agreement.

(c) In the case of non-contractual liabilities arising out of the activities of one or more individual Agencies under this Agreement, CSTAC Agencies specifically repudiate the divisions of liability outlined in Government Code sections 895.2, 895.4, and 895.6 and instead agree to share liability based on the relative fault of each individual CSTAC Agency. Each CSTAC Agency shall have the right to contribution against other Agencies based on the terms of this Agreement.

Each CSTAC Agency agrees that it is solely responsible for all loss, liability, expense, claims, suits, and damages, including attorneys' fees, relating to or arising out of the design, construction, inspection, operation, or maintenance of its projects undertaken without the approval of the Committee, excepting such loss, liability, expense, claims, suits, and damages, including attorneys' fees, relating to or arising out of the actions or activities of the other CSTAC Agencies. Each CSTAC Agency agrees that nothing in this Agreement shall create, impose, or give rise to any liability, obligation, or duty of the CSTAC Agency to the other CSTAC Agencies or to any third party with respect to the manner in which the CSTAC Agency designs, constructs, inspects, operates or maintains the projects that it undertakes without the approval of the CSTAC Committee.

Each CSTAC Agency agrees to indemnify, defend, and hold harmless the Administrative Agency and the Financial Agent from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys' fees, relating to or arising out of any contract entered into by or administered in whole or part by the Administrative Agency or the Financial Agent for the benefit of said CSTAC Agency (collectively, "Covered Losses"), provided that the CSTAC Agency share of liability for Covered Losses shall be reduced in proportion to the extent (if any) the Covered Losses resulted from the negligence of, or the breach of this Agreement by, the Administrative Agency or the Financial Agent. In the event of concurrent negligence

of one or more CSTAC Agency(ies) and the Administrative Agency or the Financial Agent, then the liability for any and all Covered Losses shall be apportioned according to the California theory of comparative negligence.

The provisions of this Section 12(c) will survive the expiration or termination of this Agreement and as against any Agency that has withdrawn from this Agreement.

13. Dispute Resolution. The Agencies shall resolve their disputes informally to the maximum extent possible. The disputing Agencies shall negotiate all matters of joint concern in good faith, with the intention of resolving issues between them in a mutually satisfactory manner. If the disputing Agencies cannot informally resolve the dispute, they shall first attempt to resolve such dispute through non-binding mediation for a period not to exceed ninety (90) days, unless that period is mutually extended by the parties involved. If the Agencies cannot mutually agree upon a mediator, then the Presiding Judge of the Alameda County Superior Court shall designate a mediator. Should mediation be unsuccessful, the dispute may be referred to private arbitration upon mutual written approval of the disputing Agencies. If the disputing Agencies do not mutually agree in writing to arbitration, a disputing Agency may commence an adversarial proceeding before any court of competent jurisdiction in the county of Alameda.

14. Entire Agreement. This Agreement, together with any exhibits hereto, constitutes the entire agreement among the CSTAC Agencies with respect to the subject matter hereof, and supersedes all prior understandings or agreements whether written or verbal.

15. Amendment. This Agreement may not be amended except in writing. Any such amendment must be approved and executed by all CSTAC Agencies that remain party to the Agreement at the time of the amendment.

16. Drafter. Each CSTAC Agency has participated in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the CSTAC Agencies had drafted it jointly, as opposed to being construed against an Agency because it was responsible for drafting one or more provisions of this Agreement.

17. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

18. Governing Law; Venue. This Agreement shall be interpreted, governed by and construed under the laws of the state of California. Venue for any legal proceeding initiated to enforce or interpret the terms of this Agreement shall be in the Superior Court of the County of Alameda, California.

19. Execution of Separate Agreements by CSTAC Agencies. Nothing in this Agreement shall preclude any CSTAC Agency from executing separate agreements among two (2) or more such CSTAC Agency members for activities which are similar and in addition to the activities pursued under this Agreement. Any such separate agreement for projects which are not approved by the CSTAC Committee shall not be the responsibility of any CSTAC Agency which is not a signatory to such separate agreement. CSTAC Agencies operating under this Agreement shall not assume any responsibility or liability for activities performed under such a separate agreement.

20. Supersede Prior Agreements. Immediately upon Effective Date of this Agreement, this Agreement shall replace and supersede in its entirety that certain Joint Exercise of Powers Agreement for Control of Wet Weather Overflows and Bypasses dated February 13, 1979, by and between the CSTAC Agencies, and that certain Amendment to Joint Exercise of Powers Agreement for Control of Wet Weather Overflows and Bypasses dated January 17, 1986, by and between the CSTAC Agencies, and said 1979 and 1986 agreements shall be cease to be of further legal effect.

21. Execution of Agreement in Separate Parts. This Agreement may be executed by the CSTAC Agencies in separate parts. The Effective Date of this Agreement shall be the date when the sixth (6th) CSTAC Agency executes the Agreement.

CITY OF ALAMEDA

Dated: _____

By: _____

Printed Name: David Rudat

Title: Interim City Manager

CITY OF ALBANY

Dated: _____

By: _____

Printed Name: _____ Nicole Almaguer _____

Title: _____ City Manager _____

CITY OF BERKELEY

Dated: _____

By: _____

Printed Name: _____ Dee Williams-Ridley _____

Title: _____ City Manager _____

CITY OF EMERYVILLE

Dated: _____

By: _____

Printed Name: _____ James N. Holgersson _____

Title: _____ City Manager _____

CITY OF OAKLAND

Dated: _____

By: _____

Printed Name: _____ Jason Mitchell _____

Title: _____ Director of Public Works _____

CITY OF PIEDMONT

Dated: _____

By: _____

Printed Name: Paul Benoit

Title: City Administrator

EAST BAY MUNICIPAL UTILITY DISTRICT

Dated: _____

By: _____

Printed Name: Eileen M. White

Title: Director of Wastewater

STEGE SANITARY DISTRICT

Dated: _____

By: _____

Printed Name: Rex Delizo

Title: District Manager

DEFENDANTS' SIDE AGREEMENT TO FACILITATE CONSENT DECREE COMPLIANCE

This Side Agreement to Facilitate Consent Decree Compliance ("Agreement") is entered into by and among the CITY OF ALAMEDA, CITY OF ALBANY, CITY OF BERKELEY, CITY OF EMERYVILLE, CITY OF OAKLAND, CITY OF PIEDMONT and STEGE SANITARY DISTRICT (collectively, the "Satellites") and EAST BAY MUNICIPAL UTILITY DISTRICT ("EBMUD"). The Satellites and EBMUD are collectively referred to as the "Defendants."

RECITALS

A. On September 22, 2014, a stipulated final judgment was entered in the consolidated cases *United States, et al. v. EBMUD* (N.D. Cal. CV 09-0186 RS) and *United States, et al. v. City of Alameda, et al.* (N.D. Cal. CV 09-5684 RS). That stipulated final judgment is referred to in this Agreement as the "Consent Decree."

B. The Consent Decree requires the Defendants to perform numerous interrelated actions over a period of time.

C. To facilitate compliance with the Consent Decree, the Defendants wish to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and following provisions of this Agreement and the Defendants' promises in the Consent Decree, the Defendants agree as follows:

AGREEMENT

1. Definitions. All terms with initial capitals not defined in this Agreement shall be defined as provided in the Consent Decree.

2. Arbitration. In the event the Defendants are required under the Consent Decree to prepare and submit a Revised Work Plan ("RWP"), the Defendants shall submit any disagreement (regarding the contents of the RWP or selection of competing RWPs) to arbitration by a panel of three arbitrators. The arbitration will be subject to the joint-defense-privilege as stated under the Consent Decree.

(a) In advance of the confidential arbitration, each Defendant shall either: (1) declare its support for a single RWP that is presented to the panel, or (2) declare that it will accept any of the proposed RWPs and opt out of participation in

the arbitration process, in which case it shall have no liability for any costs of arbitration. More than one Defendant may declare support for a single RWP. Thus, the panel may be presented with anywhere from two to eight RWPs (there being a total of eight Defendants, and there being no need for arbitration if they all support a single RWP).

(b) The first arbitrator shall be the Chair of the Department of Civil Engineering at one of the following universities: California/Berkeley, California/Los Angeles; CalTech, Carnegie Mellon, MIT, Stanford, or other comparable civil or environmental engineering expert agreed to by the Defendants. If the Defendants cannot agree on which Chair shall serve, a Chair shall be chosen by drawing lots.

(c) The second arbitrator shall be the Dean of the Graduate School of Public Policy at one of the following universities: California/Berkeley (Goldman), University of Southern California (Price), University of Washington (Evans), University of California/Los Angeles (Luskin) or University of Chicago (Harris), or other comparable public policy expert agreed to by the Defendants. If the Defendants cannot agree on which Dean shall serve, a Dean shall be chosen by drawing lots.

(d) The third arbitrator shall be an experienced professional arbitrator chosen from the panel of the Judicial Arbitration and Mediation Service ("JAMS"). If the Defendants cannot agree on which such arbitrator shall serve, each Defendant shall submit a nominee, and the arbitrator shall be chosen by drawing lots. Any disputes regarding procedural matters (e.g., the length of briefs, the timing for filing them, etc.) shall be decided by this arbitrator alone, applying JAMS' Streamlined Arbitration Rules and Procedures.

(e) The fees and costs of the arbitrators shall be assigned in equal shares to each Defendant participating in the arbitration, or as otherwise agreed by the Defendants participating.

(f) The arbitrators shall consider the cost effectiveness of the RWPs proposed, and may consider any other factors they deem appropriate, but may only select an RWP that is an Effective RWP.

3. PSL Roles and Responsibilities. Attached hereto as Exhibits A, B, C, D, E, and F, are Statements of Roles and Responsibilities between the Cities of Alameda, Albany, Emeryville, Oakland and Piedmont, and Stege Sanitary District, respectively, and EBMUD for implementation of the Regional Private Sewer Lateral Program. The attached exhibits are part of this Agreement and are hereby incorporated into it by

reference. Any new or amended Statement of Roles and Responsibilities executed by EBMUD and any Satellite shall, upon its full execution, be incorporated into this Agreement without need for further amendment of this Agreement. The Defendants shall perform their respective roles and responsibilities under these agreements as they may be amended from time to time in furtherance of the goals of the Consent Decree.

4. Regional Standards Program Participation and Responsibilities.

(a) Each Defendant shall participate in meetings as needed to update the Regional Standards as required by the Consent Decree, and shall cooperate in the production of a report every five years thereafter.

(b) In the event one or more Defendants disagree with any Regional Standard agreed upon by the remaining Defendants, it will draft an appendix to the report explaining that disagreement and setting forth its different or additional standard addressing its local concerns. Each Defendant shall not be required to use any standard with which it disagrees.

5. Performance Evaluation Plan (PEP) Implementation Cost Allocation.

If a PEP is triggered and must be implemented under the CD, then:

(a) Each Satellite shall bear the cost of installing, maintaining and collecting data from flow monitoring and precipitation monitoring equipment described in the PEP as being located within that Satellite's Collection System. In the event that additional or other data gathering equipment is described in the PEP as being located within that Satellite's Collection System, determination on cost appropriation will be performed during the PEP development process through discussions between EBMUD and the Satellite(s).

(b) EBMUD shall bear the cost of installing, maintaining and collecting data from flow monitoring and other data gathering equipment described in the PEP as being located within EBMUD's Interceptor System. EBMUD shall also bear the cost of loading those data into a digital format compatible with EBMUD's software.

(c) EBMUD shall bear the costs of (i) incorporating into the Flow Model the Satellites' and EBMUD's data, (ii) calibrating the Flow Model, and (iii) preparing the reports required by the PEP and performing any modeling and other analytical work necessary to prepare those reports.

(d) All data and information collected under this section shall be accessible to all Defendants. At no time may any Defendant interfere with, or deny access needed to perform, any action reasonably necessary for the timely implementation of the approved PEP.

6. General Provisions.

(a) Entire Agreement. This Agreement and the exhibits hereto, along with the Consent Decree, contains the entire agreement of the Defendants with respect to its subject matter and supersedes all prior negotiations, agreements and understandings with respect thereto, whether written or oral.

(b) Amendment. The Defendants may amend this Agreement at any time in a writing duly executed by all affected Defendants. The Defendants agree to meet and confer in good faith upon another Defendant's request for amendment. Any PSL Roles & Responsibilities agreement attached as an exhibit to this Agreement may be amended by a writing executed by EBMUD and the affected Satellite.

(c) Interpretation and Construction. Each Defendant and its counsel has had an opportunity to participate in the review and revision of this Agreement. The Defendants agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement. Should any provision of this Agreement irreconcilably conflict with any part of the Consent Decree, the Consent Decree shall control.

(d) No Implied Waiver. The failure by one Defendant to require performance of any provision of this Agreement will not affect that Defendant's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

(e) Severability. Should any part, term, portion or provision of this Agreement be determined unlawful or otherwise rendered unenforceable, ineffectual or invalid by any court of competent jurisdiction, the validity of the remaining parts, terms, portions or provisions of this Agreement shall be deemed severable and shall not be affected thereby, provided that such remaining parts, terms, portions or provisions can be construed in substance to constitute the Agreement that the Defendants intended to enter into in the first instance.

(f) Attorney's Fees. If a judicial action or proceeding is commenced to secure the performance of this Agreement or to enforce or interpret any provision of this Agreement or the rights and duties of any Defendant or Defendants in relation to the Agreement, the prevailing Defendant or Defendants shall be entitled to reasonable attorney fees, costs, and other expenses incurred by the prevailing Defendant or Defendants in connection with such action or proceeding, in addition to any other relief to which such Defendant or Defendants may be entitled.

(g) Warranty of Authorization to Execute Agreement. Each Defendant represents and warrants to the other Defendants that the person signing this Agreement is duly authorized to execute this Agreement on such Defendant's behalf and to bind such Defendant to its terms.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(i) Effective Date. This Agreement will take effect on the first date it is executed by all eight Defendants and shall remain binding on each Defendant while the Consent Decree remains in effect.

WHEREFORE, the Defendants have executed and entered into this Agreement as of the dates indicated below.

CITY OF ALAMEDA

Dated: _____

By: _____

Printed Name: David Rudat

Title: Interim City Manager

CITY OF ALBANY

Dated: _____

By: _____

Printed Name: Nicole Almaguer

Title: City Manager

CITY OF BERKELEY

Dated: _____

By: _____

Printed Name: Dee Williams-Ridley

Title: City Manager

CITY OF EMERYVILLE

Dated: _____

By: _____

Printed Name: James N. Holgersson

Title: City Manager

CITY OF OAKLAND

Dated: _____

By: _____

Printed Name: Jason Mitchell

Title: Director of Public Works

CITY OF PIEDMONT

Dated: _____

By: _____

Printed Name: Paul Benoit

Title: City Administrator

EAST BAY MUNICIPAL UTILITY DISTRICT

Dated: _____

By: _____

Printed Name: Eileen M. White

Title: Director of Wastewater

STEGE SANITARY DISTRICT

Dated: _____

By: _____

Printed Name: Rex Delizo

Title: District Manager

Exhibit A

PSL Roles and Responsibilities – City of Alameda

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE CITY OF ALAMEDA
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and the City of Alameda (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Alameda Point** means former Naval Air Station Alameda located west of Main Street at the northwest end of the City of Alameda, California. Alameda Point and its Sub-Districts are shown in Attachment A. Attachment A contains provisions applicable to certain properties owned by the City of Alameda within Alameda Point, as described therein.
- 1.2. Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.

- 1.6. Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8.** Reserved.
- 1.9. PSL** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1.** The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2.** The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3.** The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4.** The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

- 3.1.** The District's Responsibilities.
 - 3.1.1.** Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.
 - 3.1.2.** Waivers.
 - 3.1.2.1.** Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite’s requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

3.3.1. Point of Contact. The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.

3.3.2. Permitting and Inspection. The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.

3.3.3. Effect of Verification Test. The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.

3.3.4. Emergency. In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

- 4.1. Compliance Certificates.** The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:
- 4.1.1.** No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.
 - 4.1.2.** No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:
 - 4.1.2.1.** a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or
 - 4.1.2.2.** the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or
 - 4.1.2.3.** the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.
- 4.2. Liability.** The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Whenever a Property Owner submits an application for a High-Value Construction or Remodel Permit, the Satellite may open the permit but will not perform a final inspection or otherwise finalize the permit until the Satellite receives one of the following:
- 4.6.1.** a copy of a valid Compliance Certificate or Exemption Certificate for the parcel at issue; or
 - 4.6.2.** written notification from the District that the Property Owner is eligible to defer certification pending compliance with Regional PSL Ordinance requirements for parcels or parcel groups with PSLs exceeding 1,000 feet or parcels within Homeowner's Associations that have assumed responsibility for PSL compliance.
- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.
- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. For each High-Value Construction & Remodel Permit, the Satellite shall document, in spreadsheet format, the permits issued during the Fiscal Year, the APN and address associated with the permit, and whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy, and shall provide this spreadsheet to the District after each Fiscal Year by July 31. The City of Alameda shall note on the spreadsheet any properties located in Alameda Point.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

5.3. Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

6.1. District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.

6.2. Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

7.1. The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7 (Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.

- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers' Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.
- 7.3.** The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:
- 7.3.1.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.
- 7.3.2.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

- 8.1.** This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.
- 8.2.** The Parties may terminate this Agreement at any time by mutual written consent.
- 8.3.** In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.
- 8.4.** Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

9.1. The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

CITY OF ALAMEDA

DAVID RUDAT
Interim City Manager

Date: _____

Approved as to form:

MICHAEL ROUSH
Assistant City Attorney

Attachment A: Alameda Point Provisions

Exhibit B

PSL Roles and Responsibilities – City of Albany

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE CITY OF ALBANY
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and the City of Albany (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Reserved.
- 1.2. **Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. **Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. **Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. **High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.
- 1.6. **Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.

- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8.** Reserved.
- 1.9.** PSL has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1.** The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2.** The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3.** The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4.** The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

3.1. The District's Responsibilities.

3.1.1. Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.

3.1.2. Waivers.

3.1.2.1. Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

- 3.3.1. Point of Contact.** The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.
- 3.3.2. Permitting and Inspection.** The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.
- 3.3.3. Effect of Verification Test.** The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.
- 3.3.4. Emergency.** In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

- 4.1. Compliance Certificates.** The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:
- 4.1.1.** No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.
 - 4.1.2.** No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:
 - 4.1.2.1.** a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or
 - 4.1.2.2.** the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or
 - 4.1.2.3.** the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.
- 4.2. Liability.** The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Whenever a Property Owner submits an application for a High-Value Construction or Remodel Permit, the Satellite may open the permit but will not perform a final inspection or otherwise finalize the permit until the Satellite receives one of the following:
- 4.6.1.** a copy of a valid Compliance Certificate or Exemption Certificate for the parcel at issue; or
 - 4.6.2.** written notification from the District that the Property Owner is eligible to defer certification pending compliance with Regional PSL Ordinance requirements for parcels or parcel groups with PSLs exceeding 1,000 feet or parcels within Homeowner's Associations that have assumed responsibility for PSL compliance.
- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.
- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. For each High-Value Construction & Remodel Permit, the Satellite shall document, in spreadsheet format, the permits issued during the Fiscal Year, the APN and address associated with the permit, and whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy, and shall provide this spreadsheet to the District after each Fiscal Year by July 31.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing

the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

- 5.3.** Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

- 6.1.** District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.
- 6.2.** Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

- 7.1.** The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7 (Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.
- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers'

Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.

7.3. The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:

7.3.1. \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.

7.3.2. \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

8.1. This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.

8.2. The Parties may terminate this Agreement at any time by mutual written consent.

8.3. In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.

8.4. Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

9.1. The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

CITY OF ALBANY

NICOLE ALMAGUER
City Manager

Date: _____

Exhibit C

PSL Roles and Responsibilities – City of Emeryville

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE CITY OF EMERYVILLE
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and the City of Emeryville (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Reserved.
- 1.2. **Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. **Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. **Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. **High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.
- 1.6. **Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.

- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8.** Reserved.
- 1.9.** PSL has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1.** The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2.** The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3.** The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4.** The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

3.1. The District's Responsibilities.

3.1.1. Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.

3.1.2. Waivers.

3.1.2.1. Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite’s requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

3.3.1. Point of Contact. The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.

3.3.2. Permitting and Inspection. The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.

3.3.3. Effect of Verification Test. The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.

3.3.4. Emergency. In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

- 4.1. Compliance Certificates.** The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:
- 4.1.1.** No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.
 - 4.1.2.** No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:
 - 4.1.2.1.** a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or
 - 4.1.2.2.** the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or
 - 4.1.2.3.** the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.
- 4.2. Liability.** The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Whenever a Property Owner submits an application for a High-Value Construction or Remodel Permit, the Satellite may open the permit but will not perform a final inspection or otherwise finalize the permit until the Satellite receives one of the following:

 - 4.6.1.** a copy of a valid Compliance Certificate or Exemption Certificate for the parcel at issue; or
 - 4.6.2.** written notification from the District that the Property Owner is eligible to defer certification pending compliance with Regional PSL Ordinance requirements for parcels or parcel groups with PSLs exceeding 1,000 feet or parcels within Homeowner's Associations that have assumed responsibility for PSL compliance.
- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.
- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. For each High-Value Construction & Remodel Permit, the Satellite shall document, in spreadsheet format, the permits issued during the Fiscal Year, the APN and address associated with the permit, and whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy, and shall provide this spreadsheet to the District after each Fiscal Year by July 31.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing

the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

- 5.3.** Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

- 6.1.** District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.
- 6.2.** Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

- 7.1.** The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7 (Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.
- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers'

Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.

7.3. The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:

7.3.1. \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.

7.3.2. \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

8.1. This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.

8.2. The Parties may terminate this Agreement at any time by mutual written consent.

8.3. In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.

8.4. Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

9.1. The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

CITY OF EMERYVILLE

JAMES N. HOLGERSSON
Interim City Manager

Date: _____

Approved as to form:

MICHAEL A. GUINA
City Attorney

Exhibit D

PSL Roles and Responsibilities – City of Oakland

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE CITY OF OAKLAND
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and the City of Oakland (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Reserved.
- 1.2. **Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. **Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. **Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. **High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.
- 1.6. **Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.

- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8. Port of Oakland** means the Port Area, as defined in the City Charter of the City of Oakland, and Port-owned property within the City of Oakland but outside the Port Area.
- 1.9. PSL** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1.** The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2.** The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3.** The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4.** The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

- 3.1.** The District's Responsibilities.
 - 3.1.1.** Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.
 - 3.1.2.** Waivers.
 - 3.1.2.1.** Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite’s requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

3.3.1. Point of Contact. The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.

3.3.2. Permitting and Inspection. The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.

3.3.3. Effect of Verification Test. The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.

3.3.4. Emergency. In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

- 4.1. Compliance Certificates.** The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:
- 4.1.1.** No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.
 - 4.1.2.** No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:
 - 4.1.2.1.** a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or
 - 4.1.2.2.** the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or
 - 4.1.2.3.** the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.
- 4.2. Liability.** The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Whenever a Property Owner submits an application for a High-Value Construction or Remodel Permit, the Satellite may open the permit but will not perform a final inspection or otherwise finalize the permit until the Satellite receives one of the following:
- 4.6.1.** a copy of a valid Compliance Certificate or Exemption Certificate for the parcel at issue; or
 - 4.6.2.** written notification from the District that the Property Owner is eligible to defer certification pending compliance with Regional PSL Ordinance requirements for parcels or parcel groups with PSLs exceeding 1,000 feet or parcels within Homeowner's Associations that have assumed responsibility for PSL compliance.
- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.
- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. For each High-Value Construction & Remodel Permit, the Satellite shall document, in spreadsheet format, the permits issued during the Fiscal Year, the APN and address associated with the permit, and whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy, and shall provide this spreadsheet to the District after each Fiscal Year by July 31. The City of Oakland shall note on the spreadsheet any properties located in the Port of Oakland.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

5.3. Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

6.1. District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.

6.2. Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

7.1. The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7 (Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.

- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers' Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.
- 7.3.** The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:
- 7.3.1.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.
- 7.3.2.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

- 8.1.** This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.
- 8.2.** The Parties may terminate this Agreement at any time by mutual written consent.
- 8.3.** In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.
- 8.4.** Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

9.1. The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

CITY OF OAKLAND

JASON MITCHELL
Director of Public Works

Date: _____

Approved as to form:

CELSO ORTIZ
Deputy City Attorney

Exhibit E

PSL Roles and Responsibilities – City of Piedmont

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE CITY OF PIEDMONT
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and the City of Piedmont (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Reserved.
- 1.2. **Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. **Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. **Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. **High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.
- 1.6. **Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.

- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8.** Reserved.
- 1.9.** PSL has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1.** The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2.** The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3.** The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4.** The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

3.1. The District's Responsibilities.

3.1.1. Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.

3.1.2. Waivers.

3.1.2.1. Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

3.3.1. Point of Contact. The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.

3.3.2. Permitting and Inspection. The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.

3.3.3. Effect of Verification Test. The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.

3.3.4. Emergency. In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

4.1. Compliance Certificates. The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:

4.1.1. No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.

4.1.2. No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:

4.1.2.1. a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or

4.1.2.2. the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or

4.1.2.3. the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.

4.2. Liability. The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Whenever a Property Owner submits an application for a High-Value Construction or Remodel Permit, the Satellite may open the permit but will not perform a final inspection or otherwise finalize the permit until the Satellite receives one of the following:
- 4.6.1.** a copy of a valid Compliance Certificate or Exemption Certificate for the parcel at issue; or
 - 4.6.2.** written notification from the District that the Property Owner is eligible to defer certification pending compliance with Regional PSL Ordinance requirements for parcels or parcel groups with PSLs exceeding 1,000 feet or parcels within Homeowner's Associations that have assumed responsibility for PSL compliance.
- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.
- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. For each High-Value Construction & Remodel Permit, the Satellite shall document, in spreadsheet format, the permits issued during the Fiscal Year, the APN and address associated with the permit, and whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy, and shall provide this spreadsheet to the District after each Fiscal Year by July 31.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing

the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

- 5.3.** Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

- 6.1.** District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.
- 6.2.** Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

- 7.1.** The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7 (Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.
- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers'

Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.

7.3. The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:

7.3.1. \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.

7.3.2. \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

8.1. This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.

8.2. The Parties may terminate this Agreement at any time by mutual written consent.

8.3. In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.

8.4. Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

9.1. The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

CITY OF PIEDMONT

PAUL BENOIT
City Administrator

Date: _____

Exhibit F

PSL Roles and Responsibilities – Stege Sanitary District

**STATEMENT OF ROLES AND RESPONSIBILITIES
BETWEEN THE STEGE SANITARY DISTRICT
AND THE EAST BAY MUNICIPAL UTILITY DISTRICT
FOR IMPLEMENTATION OF THE
REGIONAL PRIVATE SEWER LATERAL PROGRAM**

This Statement of Roles and Responsibilities (“Agreement”) is entered into this ____ day of _____, 20__, by and between the East Bay Municipal Utility District (“the District”) and Stege Sanitary District (“the Satellite”). The District and the Satellite are collectively referred to in this Agreement as “the Parties”.

1. DEFINITIONS

- 1.1. Reserved.
- 1.2. **Consent Decree** means the final judgment between the United States and the Parties in consolidated cases in the U.S. District Court, Northern District of California: *United States of America, et al. v. East Bay Municipal Utility District* (C 09-00186-RS) and *United States of America, et al. v. City of Alameda, et al.* (C 09-05684-RS), including all appendices, attachments and exhibits thereto.
- 1.3. **Enforcement** means measures taken against Property Owners by the District to achieve compliance with the Regional PSL Ordinance or by the Satellite to achieve compliance with the Satellite’s Local Ordinance Requirements.
- 1.4. **Fiscal Year** means the period that begins on July 1 of a given year and continues through June 30 of the following year.
- 1.5. **High-Value Construction or Remodel Permit** means any permit or other approval needed from the Satellite, or from any public entity within the Satellite’s service area, for new construction upon a parcel or for any significant improvement, addition, construction, reconstruction, remodeling, modification or alteration of or to an existing or previously existing structure upon a parcel, where the value of work authorized by such permit or approval exceeds \$100,000.
- 1.6. **Lower Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.

- 1.7. Outreach Materials** means materials prepared by the District for the purposes of informing the public about (1) the Regional PSL Program, and/or (2) the benefits of obtaining a Compliance Certificate before the Regional PSL Program mandates action. Outreach Materials will be distributed to Property Owners, real estate and escrow professionals, contractors, and other interested parties and will describe the requirements, procedures, and fees associated with the Regional PSL Program as well as general information about the benefits of PSL replacement for Bay protection.
- 1.8.** Reserved.
- 1.9.** PSL has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance.
- 1.10. Regional PSL Ordinance** means the District’s “Regional Private Sewer Lateral Ordinance” (Ordinance No. 359-13, as amended by Ordinance No. 362-14), as may be further amended from time to time by the District.
- 1.11. Regional PSL Program** means the comprehensive, regional PSL management effort intended to reduce infiltration and inflow into the regional sanitary sewer system from PSLs. The Regional PSL Program requires Property Owners to (1) continuously maintain their Upper Sewer Laterals to standards specified in the Regional PSL Ordinance, (2) arrange for Verification Testing and certification of PSLs upon the occurrence of certain events specified in the Regional PSL Ordinance, and (3) repair or replace PSLs as needed to obtain a passing Verification Test result.
- 1.12. Section** means a numbered paragraph, or series of paragraphs, in this Agreement, except where a different agreement is expressly referenced.
- 1.13. Side Agreement** means the legal agreement among the Parties entitled “Defendants’ Side Agreement to Facilitate Consent Decree Compliance,” of which this Agreement is a part pursuant to Section 9.1.
- 1.14. Upper Sewer Lateral** has the same meaning in this Agreement as given in the definition that appears in the Regional PSL Ordinance
- 1.15.** This Agreement uses other capitalized terms defined in the Regional PSL Ordinance. Such terms shall have the meaning given therein.

2. OUTREACH MATERIALS

- 2.1. The District will produce Outreach Materials for the Regional PSL Program. Upon request, the District will provide the Satellite an opportunity to review and approve Outreach Materials before they are made publicly available. The District will provide the Satellite with Outreach Materials and will replenish the Satellite's supply as needed upon request.
- 2.2. The District will maintain a Regional PSL Program website containing appropriate referrals to the Satellite's relevant web pages and a telephone number and email address for the public to obtain information about the Regional PSL Program.
- 2.3. The Satellite will make available Outreach Materials at City Hall (except Stege Sanitary District), the Satellite's permit center, and other appropriate publicly accessible locations. The Satellite will maintain a website containing appropriate referrals and links to the District's Regional PSL Program website.
- 2.4. The Satellite and the District shall assist each other in outreach activities as needed.

3. VERIFICATION TESTING AND PERMITTING

3.1. The District's Responsibilities.

3.1.1. Performance of Verification Tests. The District will expeditiously perform PSL Verification Tests when such tests are required by the Regional PSL Ordinance or the Satellite's Local Ordinance Requirements. The District will also perform PSL Verification Tests when requested by a customer. This includes instances where the property is ineligible to receive a Compliance Certificate due to non-compliance with Local Ordinance Requirements but the property owner has elected to proceed with the Verification Test.

3.1.2. Waivers.

3.1.2.1. Waiver Exists. If there is a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral only and shall document compliance or non-compliance. The

District will honor Limited Waiver or General Waiver status under the circumstances set forth in Sections 4.4 and 4.5, respectively.

- 3.1.2.2.** No Waiver Exists. If there is not a valid General Waiver or Limited Waiver with respect to a parcel at the time of a Verification Test, the District will witness the Verification Test for the Upper Sewer Lateral and, if required by the Satellite's Local Ordinance Requirements, also the Lower Sewer Lateral, and shall document compliance or non-compliance.
- 3.1.3.** Attendance. The District will make reasonable efforts to promptly notify the Satellite if District representatives will be unable to attend a scheduled Verification Test.
- 3.1.4.** Notification of Scheduled Inspections.

 - 3.1.4.1.** Notification of Same-Day Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for that day and the time window when each inspection is scheduled to occur. The Satellite may use this list to schedule its staff's attendance at inspections as desired.
 - 3.1.4.2.** Notifications of Upcoming Inspections. Each business day at 7:00 a.m., the District will provide the Satellite a list of all PSL inspections scheduled for the following day and anytime thereafter. The District will update this list at 2:00 p.m. to include inspections scheduled after that morning's 7:00 a.m. notice. The Satellite may use these lists to review compliance with Local Ordinance Requirements.
 - 3.1.4.3.** The Satellite may ask the District in writing not to provide the inspection notifications described in this Section 3.1.4. However, if the Satellite chooses not to receive the notifications, or if after receiving a notification it fails to act in the manner described in Section 3.2, the District will consider the parcel's eligibility for a Compliance Certificate without regard to Local Ordinance Requirements.

- 3.1.5. Notification of Non-Compliance with Local Ordinance Requirements.** When the District receives the Satellite's notice provided under Section 3.2.3.3 that a parcel scheduled for inspection is non-compliant with Local Ordinance Requirements, the District will notify the Property Owner and any representative of the Property Owner in communication with the District regarding PSL certification), by email with U.S. mail follow-up, that the Satellite has stated that a property is not in compliance with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite's requirements. The District shall provide the Property Owner or the representative with contact information for Satellite staff designated by Satellite for that purpose under Section 3.2.2. The notice in this Section is in addition to the separate notice provided by the Satellite under Section 3.2.4.1. If the property successfully passes a Verification Test, the District will refrain from issuing any Compliance Certificate until it receives notice from the Satellite under Section 3.2.4.3 that indicates (1) that the property has become compliant with Local Ordinance Requirements, and (2) whether or not a new Verification Test is required.
- 3.1.6. Material Modifications; New Verification Test.** In the event that the Satellite notifies the District that material modifications were mandated to achieve compliance with Local Ordinance Requirements, the District will issue a Compliance Certificate when the PSL achieves a passing result on a new Verification Test.
- 3.1.7. After Hours and Weekend Inspections.** The District will notify the Satellite of scheduled after-hours and weekend inspections at least 24 hours in advance.
- 3.1.8. Shared Laterals & Illicit Connections.** The District will notify the Satellite if it becomes aware that contiguous parcels are sharing a lateral. The District will notify the Satellite of any illicit connections it finds during a Verification Test.
- 3.1.9. Potential Debris.** The District will communicate any potential debris introduced into the sewer system during the course of the inspection and certification process, such as lost plugs, to the Satellite upon becoming aware.

3.2. The Satellite's Responsibilities – Local Ordinance Requirements.

3.2.1. The Satellite will comply with the provisions of this Section 3.2 if, and only if, the Satellite wishes the District to take into account a parcel's compliance or non-compliance with Local Ordinance Requirements when evaluating the parcel's eligibility for a Compliance Certificate. This Section 3.2 is the exclusive process by which the District will delay or withhold a Compliance Certificate on grounds of non-compliance with Local Ordinance Requirements.

3.2.2. Point of Contact. The District will include the Satellite contact information the Satellite provides under Section 3.3.1 in any notice of non-compliance with Local Ordinance Requirements it provides to a Property Owner or representative under Section 3.1.5.

3.2.3. Local Ordinance Requirements – Compliance Review.

3.2.3.1. Morning Review. Each business day, the Satellite will review the morning list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the morning list by 7:00 a.m. each business day pursuant to Section 3.1.4.2.

3.2.3.2. Afternoon Review. Each business day, the Satellite will review the updated list of PSL inspections scheduled for the following day or anytime thereafter to identify any parcels it believes are non-compliant with Local Ordinance Requirements. The District will provide the updated list by 2:00 p.m. each business day pursuant to Section 3.1.4.2.

3.2.3.3. Notification of Non-Compliance with Local Ordinance Requirements. If the Satellite believes any parcel that appears on the either the morning list or the updated list is non-compliant with Local Ordinance Requirements (for example, by failing to obtain a necessary permit from the Satellite), the Satellite will notify the District in writing no later than the business day before the scheduled inspection, by 2:00 p.m. in the case of

parcels appearing on the morning list, or by 4:00 p.m. in the case of parcels appearing on the afternoon list.

3.2.4. Local Ordinance Requirements – Gaining Compliance. For any parcel scheduled for inspection which the Satellite believes is non-compliant with Local Ordinance Requirements, the Satellite will do the following:

3.2.4.1. Immediately notify the Property Owner and any representative of the Property Owner indicated on the scheduled inspection list provided by the District, by email with U.S. mail follow-up, that the Satellite has determined that the property is not compliant with Local Ordinance Requirements and therefore is not eligible to receive a Compliance Certificate until the property is brought into compliance with the Satellite’s requirements. The notification will specifically identify the cause of the non-compliance. The Satellite shall provide the Property Owner or the representative with contact information for appropriate Satellite staff. The notice in this Section is additional to the separate notice provided by the District under Section 3.1.5.

3.2.4.2. Manage all communications with the affected persons regarding the non-compliance and pursue any enforcement action deemed appropriate by the Satellite.

3.2.4.3. Notify the District in writing as soon as practicable after determining the parcel has become compliant with Local Ordinance Requirements. This notification will indicate whether material modifications were made to bring a PSL into compliance with Local Ordinance Requirements, such that the District should not rely on any existing Verification Test result as the basis for issuing a Compliance Certificate. Where material modifications were made, the Satellite shall send the Property Owner (or a representative of the Property Owner indicated on the scheduled inspection list provided by the District) a notification stating that (1) as a result of the material modification, any pre-existing Verification Test result is no longer valid, and (2) the

notice recipient should contact the District to schedule a new Verification Test, which the PSL must pass before a Compliance Certificate will be issued.

3.3. The Satellite's Responsibilities – General.

3.3.1. Point of Contact. The Satellite will provide the District with the name, title, direct phone line, and email address of appropriate Satellite staff for the District to provide to Property Owners and their representatives as needed. The Satellite will provide updated contact information as needed.

3.3.2. Permitting and Inspection. The Satellite will be the permitting agency for all PSL work in accordance with the Satellite's Local Ordinance Requirements. The Satellite will expeditiously issue sewer and encroachment permits for PSL work performed under the Regional PSL Program, unless the Satellite does not issue encroachment permits. The Satellite will perform construction and materials inspection for all PSL work.

3.3.3. Effect of Verification Test. The Satellite will accept the District's documentation of a passing Verification Test result as conclusive evidence that the PSL, or the portion of it subject to the Verification Test, is free from leaks.

3.3.4. Emergency. In an emergency condition, including when the District has notified the Satellite that its representatives will be unable to attend a scheduled Verification Test or when the District representatives fail to arrive within the scheduled inspection window and cannot be contacted, the Satellite may witness the Verification Test and provide the following information to the District: (1) length and diameter of the Upper Sewer Lateral and, if applicable, the Lower Sewer Lateral, (2) which portion of the PSL was tested and by which testing method, (3) which work was performed (for example, repair or replacement), (4) result of the pressure test, (5) if the PSL was replaced, the material of both the old and new PSLs, (6) whether or not a lower cleanout was present, (7) the location of the public Sewer Main, and (8) the contractor's name and phone number.

4. CERTIFICATES, WAIVERS, AND EXEMPTIONS

4.1. Compliance Certificates. The District will issue a single Compliance Certificate for a given parcel after all PSLs associated with the parcel have passed a Verification Test, except in the following circumstances:

4.1.1. No Compliance Certificate will be issued in connection with any parcel that is the subject of a Local Ordinance Requirements non-compliance notification provided by the Satellite under Section 3.2.3.3, until the non-compliance is resolved and the Satellite has so notified the District under Section 3.2.4.3.

4.1.2. No Compliance Certificate will be issued if either the Upper Sewer Lateral or the Lower Sewer Lateral fails to pass a Verification Test, unless the Upper Sewer Lateral passes and one of the following circumstances applies to the Lower Sewer Lateral:

4.1.2.1. a Lower Sewer Lateral does not exist (e.g. where an Upper Sewer Lateral connects to a Sewer Main via backyard easement); or

4.1.2.2. the Satellite has declared in the letter described in Section 4.3 that it does not legally require Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals; or

4.1.2.3. the Satellite has informed the District as provided in Sections 4.4 and 4.5 that a valid General Waiver or Limited Waiver covers the parcel's Lower Sewer Lateral.

4.2. Liability. The District and its Directors, officers, agents and employees assume no liability by declining to issue a Compliance Certificate as a result of receiving notification from the Satellite of non-compliance with Local Ordinance Requirements. The Satellite will indemnify, defend and hold harmless the District and its Directors, officers, agents and employees from and against any claims, lawsuits, proceedings, damages, and/or losses of any kind (including legal costs and attorneys' fees) arising from or related to a District decision not to issue a Compliance Certificate where such decision is made in substantial accordance with Section 4.1.1.

- 4.3.** Responsibility for Lower Sewer Laterals. The Satellite will inform the District in a letter signed by the Satellite’s attorney or other authorized representative whether or not the Satellite legally requires Property Owners within its jurisdiction to obtain a Compliance Certificate for Lower Sewer Laterals. The District will rely on the Satellite’s letter to determine the scope of the Regional PSL Program within the Satellite’s jurisdiction. The Satellite agrees to promptly notify the District in writing when it substantially modifies legal requirements relating to Lower Sewer Laterals.
- 4.3.1.** In the letter described in Section 4.3, the Satellite may optionally state the location of the boundary between the Upper Sewer Lateral and Lower Sewer Lateral that shall be used within its jurisdiction, if that boundary differs from the boundary described in the Regional PSL Ordinance by the definitions of “Upper Sewer Lateral” and “Lower Sewer Lateral.” If the Satellite’s letter states a jurisdiction-specific boundary, the District will certify a parcel upon on a passing Verification Test result for the portion of the PSL defined in the letter as part of the “Upper Sewer Lateral,” and the Satellite will rehabilitate the entire portion of the PSL defined in its letter as the “Lower Sewer Lateral” at the time it rehabilitates the sewer main associated with the PSL. If the letter does not specify a boundary location, the District will use the definitions in the Regional PSL Ordinance for testing and certification purposes.
- 4.4.** General Waivers (Satellite’s Prior Work on Lower Sewer Lateral). If and when the District receives the spreadsheet or GIS data described in Section 5.2.2 from the Satellite, the District will apply General Waiver status to all parcels listed in the spreadsheet or GIS data and qualifying for General Waiver status under the Regional PSL Ordinance. The District will update its General Waiver database on an ongoing basis when the Satellite provides the District with an updated spreadsheet or additional GIS data. To document General Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the General Waivers for their period specified in the Regional PSL Ordinance.
- 4.5.** Limited Waivers. A valid Limited Waiver excuses the Property Owner from any applicable Local Ordinance Requirement that mandates the performance of work on the Lower Sewer Lateral. A Satellite may issue a

Limited Waiver to a property owner to accommodate a paving moratorium or for any other reason except the Satellite's prior Repair or Replacement of the Lower Sewer Lateral. The Satellite shall provide the District a letter and spreadsheet with affected parcel numbers and associated expiration dates and may update the spreadsheet as needed. To document Limited Waiver status for individual parcels, the Satellite may complete a District form used for that purpose in lieu of providing an updated spreadsheet. Upon receiving the information from a Satellite, the District will honor the Limited Waivers for their period of validity.

- 4.6.** Construction and Remodeling. Within the Satellite's service area, High-Value Construction or Remodel Permit applications are processed by three other public entities: the City of El Cerrito, the City of Richmond, and Contra Costa County. It is in the interest of the District and the Satellite for those other public entities to avoid finalizing any High-Value Construction or Remodel Permit application until the applicant obtains one of the following: (1) a Compliance Certificate, (2) an Exemption Certificate, or (3) a written notice from the District that the Property Owner may defer certification because its PSLs exceed 1,000 feet or are located within a Homeowner's Association which has assumed responsibility for PSL compliance. Accordingly, the Satellite will help the District provide outreach and education to the appropriate staff of the aforementioned public entities. The Satellite will also make reasonable efforts to communicate and follow up with those public entities regarding specific permit applications, in order to maintain a high rate of compliance with the Regional PSL Ordinance within its service area.

4.6.1. Reserved.

4.6.2. Reserved.

- 4.7.** Exemption Certificates. When a property owner requests an Exemption Certificate from the District, the District will confirm eligibility based on data provided to the District by the Satellite under Section 5.2.3 or, in cases of sales or transfers exempted from the Regional PSL Ordinance's definition of "Title Transfer," based on the District's verification of supporting documentation submitted by the Property Owner. The District will inform the Property Owner of the Property Owner's eligibility status as soon as reasonably possible.

- 4.8.** Notification of Issued Compliance Certificates. Each business day, the District will notify the Satellite of Compliance Certificates issued the previous day.

5. DATA SHARING AND ANNUAL REPORTING

5.1. The District's Responsibilities.

5.1.1. Annual Reporting. The District will report on the Regional PSL Program in its Consent Decree Annual Report.

5.1.2. Regional Database. The District will develop and maintain a regional database of Regional PSL Program records that includes information related to parcel compliance status, including Verification Test records. The District will share the information maintained in the regional database with the Satellite in a timely fashion, upon reasonable request by the Satellite.

5.2. The Satellite's Responsibilities.

5.2.1. Data Regarding High-Value Construction & Remodel Permits. The Satellite will make reasonable efforts to help the District annually receive the following information from the other public entities which issue High-Value Construction or Remodel Permits within its service area: (1) a list of such permits issued during the prior Fiscal Year, (2) the APN and address associated with each permit, and (3) whether a Compliance Certificate was submitted prior to issuance of the certificate(s) of occupancy. The Satellite shall make reasonable outreach efforts to the other public entities so that the other public entities provide that information to the District after each Fiscal Year by July 31.

5.2.2. Data Regarding Satellite-Performed Work on Lower Laterals. Unless the Satellite provides the letter described in Section 4.3 declaring Property Owners' non-responsibility for Lower Sewer Laterals, the Satellite will: (1) provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of Lower Sewer Lateral replacement for each parcel on which the Satellite replaced the Lower Sewer Lateral during the 20-year period prior to the effective date of the Regional PSL Program in the Satellite's jurisdiction to facilitate the District's issuance of parcel-specific General Waivers where

appropriate, and (2) keep the spreadsheet or GIS data current to reflect the Satellite's ongoing Lower Sewer Lateral replacement work on additional parcels and provide the District with the updated spreadsheet monthly.

5.2.3. Data Regarding Satellite-Issued Compliance Certificates. Unless it has done so before the this Agreement's effective date, the Satellite will provide the District with a spreadsheet or GIS data containing the assessor's parcel number (APN) and date of issuance of all valid, unexpired Compliance Certificates or comparable documents issued by the Satellite during the period prior to the effective date of this Agreement to facilitate the District's issuance of Exemption Certificates, where applicable. The Satellite will timely provide information upon the District's request confirming if a specific Property Owner obtained and finalized a permit for PSL work.

5.3. Staff Contacts. The Parties each agree to provide each other a list of staff contacts involved in the Regional PSL Program and to keep each other informed of relevant personnel changes on an ongoing basis.

6. ENFORCEMENT

6.1. District's Role. The District may enforce all provisions of the Regional PSL Ordinance. Enforcement of Regional PSL Ordinance provisions related to Compliance Certificates and Time Extension Certificates is the District's sole responsibility.

6.2. Satellite's Role. Enforcement of the Satellite's Local Ordinance Requirements is the Satellite's sole responsibility. When the Satellite identifies non-compliance with Local Ordinance Requirements, the District will decline to issue a Compliance Certificate in the manner and under the circumstances specified in this Agreement, but all further actions to gain compliance will be the Satellite's responsibility.

7. INSURANCE

7.1. The Satellite shall take out and maintain during the life of the Agreement all the insurance required in this Section 7 (Insurance), and shall submit certificates for review and approval by the District. The Satellite shall not commence work until such insurance has been approved by the District. The Satellite may comply with its obligations under this Section 7

(Insurance) by providing evidence of self-insurance to the District signed by a responsible official of Satellite with authority to provide proof of insurance coverage.

- 7.2.** The Satellite shall take out and maintain during the life of the Agreement Workers Compensation Insurance for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, the District will accept a Self-Insured Certificate from the State of California. Workers' Compensation insurance must contain a waiver of subrogation endorsement providing that each insurer waives any rights of recovery by subrogation, or otherwise, against the District, its directors, officers, officials, agents, volunteers, and employees.
- 7.3.** The Satellite shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims that may arise from operations or performance under this Agreement. The amounts of insurance shall not be less than the following:

 - 7.3.1.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – Automobile.
 - 7.3.2.** \$2,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.

8. TERM AND TERMINATION

- 8.1.** This Agreement shall become effective on the first date it has been executed by both Parties. This Agreement will remain binding and effective until terminated in the manner provided in this Section 8.
- 8.2.** The Parties may terminate this Agreement at any time by mutual written consent.
- 8.3.** In the absence of mutual written consent, this Agreement may not be terminated before five years has elapsed from the Consent Decree's effective date.
- 8.4.** Once at least five years has elapsed from the Consent Decree's effective date, the Satellite may unilaterally terminate this Agreement if the Satellite has completed the process required by the Consent Decree to cease its participation in the Regional PSL Program (including U.S. EPA approval

of the Satellite's no-less-stringent application for its proposed PSL ordinance).

9. GENERAL PROVISIONS

- 9.1.** The General Provisions set forth in Section 6 of the Side Agreement are incorporated by reference into and shall apply to this Agreement. This Agreement, immediately upon its full execution, will be automatically incorporated by reference into the Side Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year below written.

EAST BAY MUNICIPAL UTILITY DISTRICT

EILEEN M. WHITE
Director of Wastewater

Date: _____

Approved as to form:

for the Office of General Counsel

STEGE SANITARY DISTRICT

REX DELIZO
District Manager

Date: _____

Approved as to form:

KRISTOPHER KOKOTAYLO
District Counsel