

AMENDMENT TO SANITARY SEWAGE AGREEMENT  
BETWEEN THE TOWN OF HILLSBOROUGH,  
CITY OF SAN MATEO, CRYSTAL SPRINGS  
COUNTY SANITATION DISTRICT, AND  
THE COUNTY OF SAN MATEO

This amendment of the Sanitary Sewage Agreement entered into on July 18, 1989, by and among the TOWN of HILLSBOROUGH, a municipal corporation in the County of San Mateo, State of California, hereinafter called "Town", the CITY OF SAN MATEO, a municipal corporation in the County of San Mateo, State of California, hereinafter called "City"; the CRYSTAL SPRINGS COUNTY SANITATION DISTRICT, a sanitation district in the County of San Mateo, State of California, hereinafter called "District"; and the COUNTY OF SAN MATEO, a political subdivision of the State of California, hereinafter called "County", and is made effective as of September \_\_\_\_, 2010, and is based on the following:

R E C I T A L S :

WHEREAS, the parties have previously entered into agreements dating back to 1955 which set forth their arrangements and relationships regarding the discharge, pumping, transmission, and treatment of sewage; and

WHEREAS, the parties' most recent agreement is the Sanitary Sewage Agreement made and entered into July 18, 1989 (the "1989 Agreement"); and

WHEREAS, the parties are subject to the Cease and Desist Order R2-2009-0020 (the "CDO") issued by the California Regional Water Quality Control Board, which requires that the parties undertake certain actions, studies, and projects to improve the performance and capacity of the sewer facilities that are subject to the 1989 Agreement; and

WHEREAS, the parties now wish to amend the provisions of the 1989 Agreement as they relate to the parties' obligations with respect to the allocation of costs between the parties for the limited purpose of allocating among themselves the costs of the environmental study and design of the Crystal Springs/El Cerrito Trunk Sewer Improvements required by the CDO and to enter into this amendment to establish those obligations; and

WHEREAS, the parties anticipate amending the 1989 Agreement or executing a new, comprehensive agreement prior to beginning construction of the Crystal Springs/El Cerrito Trunk Sewer Improvements; and

WHEREAS, until a new or further amended agreement is adopted, the parties must allocate costs associated with the environmental study and design related to the Crystal Springs/El Cerrito Trunk Sewer Improvements so that these improvements can be completed within the time allotted by the CDO;

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

Section 1. Crystal Springs/El Cerrito Trunk Sewer Improvements

The CDO Provision I.A. requires that by September 11, 2015, the Crystal Springs/El Cerrito Trunk Sewer improvements be completed. The scope of the required work is one continuous segment of sewer trunk, approximately four miles long, at an estimated total project cost of \$21,000,000. The upstream limit of work is the intersection of Crystal Springs Road and Crystal Springs Terrace in the Town of Hillsborough, and the downstream terminus is at the intersection of Sunnybrae Boulevard and Birch Avenue in the City of San Mateo.

The Crystal Springs/El Cerrito Trunk Sewer Improvements project consists of two segments:

- a. *Crystal Springs/El Cerrito Trunk Sewer Phase II (the "Phase II Project")*. The Town of Hillsborough serves as the lead agency for the Phase II Project. This project, which is approximately two miles in length, is currently at 95% design. The Town of Hillsborough has arranged for funding of the project through the State Revolving Fund (SRF) Loan Program. Environmental consultants were engaged on November 9, 2009 to conduct cultural resources investigations and to update the 2002 environmental study previously prepared for the Town for both this segment and an upstream sewer segment (Phase I), which is now complete. The estimated cost of this environmental work and the design work is approximately \$400,000.
- b. *El Cerrito Relief Line Project (the "Relief Line Project")*. The City of San Mateo serves as the lead agency for the Relief Line Project, which is currently in preliminary design. This trunk sewer, also approximately two miles in length, will serve as a bypass to an existing sewer trunk. The project will be submitted for funding by the State Revolving Fund Loan Program by the City of San Mateo. A Request for Proposals (RFP) for an environmental consultant was issued in October 2009. A Request for Proposals (RFP) for design of the Relief Line Project was issued in July 2010. The estimated cost of environmental study and design for the Relief Line Project is approximately \$1,000,000.

Section 2. Financial Participation

The City, County, District and Town are each proportionally financially responsible for the installation and replacement of sewer conveyance systems to the extent of the proportional share of the Peak Wet Weather Flow (PWWF) generated from each agency's sewage area.

For the purpose of allocating each party's proportional share of the environmental study and design costs related to the CDO-mandated capital improvements (i.e., the Phase II Project and the Relief Line Project), the PWWF estimated in the May 2010 *Sewer System Flow Monitoring and Hydraulic Modeling* study authored by RMC Water and Environment, will be used. This study was jointly commissioned by the City, County, District and Town. Based on the conclusions in the RMC study, each party's share of the environmental and design consulting costs described in this amendment, based on the PWWF, are as follows:

City:	6%
County:	6%
District:	37%
Town:	51%

Section 3. Financial Commitments

a. The Phase II Project.

Town has advanced, or will advance the costs of the environmental and design work on the Phase II Project and shall invoice each party based on actual project costs for that party's proportional share, as set forth in Section 2., above. All invoices are due and payable within 30 days. Any invoice not paid within 60 days shall bear interest at the rate of 10% per annum.

b. The Relief Line Project

Funding for the environmental study and design work for the Relief Line Project shall be provided as follows:

Prior to the City's execution of any contract with an environmental and/or design consultant, each party shall deposit with the City its respective proportional share of the estimated cost of the phase of the environmental study and/or design work (e.g. 35% design ) to be performed by the consultant. Such deposit shall be made within 10 business days of request for funding sent by the City to each party. Such funding requests shall include an itemized description of the project costs for which the request is made, along with the calculation showing each party's proportional share of the project costs for the environmental study and/or design for which the request is made. In calculating each party's share of the consultant's work that must be deposited, the City shall apply the percentages stated in section 2., above. Payments to the consultant shall be made by City out of the funds deposited by the parties. It is anticipated that the City will proceed with the environmental work and design work to accomplish 35% complete design immediately upon execution of this amendment and deposit by the parties of the funds associated with this work. The environmental and 35% complete design work are estimated to cost \$90,000 and \$457,000, respectively. If, after completion of the work performed by any consultant, there remain funds on deposit for such work, the City shall return the funds to the parties based on their respective proportional shares of funds deposited with the City. If the funds on deposit are exhausted and design and/or

environmental review work for the Relief Line Project remains to be done, the City shall invoice each party according to the proportional share of liability for the project's environmental study and design costs, as set forth in Section 2. Any such invoice not paid within 60 days shall bear interest at the rate of 10% per annum.

Section 4. Limitations

This amendment shall not affect the allocation of costs for treatment, capital improvements, or other services under the 1989 Agreement. The parties shall continue to share costs for those services in accordance with the procedures set forth in the 1989 Agreement until it is amended or replaced.

Except as modified herein, the terms of the 1989 Agreement shall continue in full force and effect.

ATTEST:

CITY OF SAN MATEO

\_\_\_\_\_  
Norma Gomez  
City Clerk

\_\_\_\_\_  
John Lee  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Shawn M. Mason  
City Attorney

ATTEST:

COUNTY OF SAN MATEO

\_\_\_\_\_  
\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Richard S. Gordon  
President, Board of Supervisors

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_  
County Counsel

ATTEST:

CRYSTAL SPRINGS COUNTY  
SANITATION DISTRICT

\_\_\_\_\_  
Clerk of the District

\_\_\_\_\_  
Richard S. Gordon  
President, Board of Supervisors,  
Ex-Officio Governing Board of the District

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_  
District Counsel

ATTEST:

TOWN OF HILLSBOROUGH

\_\_\_\_\_  
\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
\_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_  
Town Attorney

Certificate of Delivery

(Government Code Section 25103)

I certify that a copy of the original document filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

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Clerk of the Board of Supervisors