CAYUCOS SANITARY DISTRICT

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GOVERNING BOARD
R. Enns, President
J. Curti, Vice-President
S. Lyon, Director
J. Smith, Director
J. Clark, Director

BOARD OF DIRECTORS
SPECIAL MEETING AGENDA
THURSDAY, MARCH 26, 2026 AT 5:00 PM
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430

1. **ESTABLISH QUORUM AND CALL TO ORDER**

2. **PUBLIC COMMENT ON AGENDA ITEM(S)**
   As this is a special meeting, members of the public may speak before consideration of the items that appear on this agenda, however, there is no opportunity afforded under the Brown Act to speak on non-agendized items.

3. **DISCUSSION AND CONSIDERATION TO APPROVE A PURCHASE AND SALE AGREEMENT FOR THE JOINTLY-OWNED MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT SITE AND RELATED FACILITIES (APNS: 066-031-032, 066-031-033, AND 066-031-034)**

4. **ADJOURNMENT**

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CAYUCOS SANITARY DISTRICT
STAFF REPORT

AGENDA ITEM: 3

TO: **BOARD OF DIRECTORS**

FROM: **DAVID ATHEY, DISTRICT MANAGER**

DATE: **MARCH 26, 2026**

SUBJECT: **DISCUSSION AND CONSIDERATION TO APPROVE A PURCHASE AND SALE AGREEMENT FOR THE JOINTLY-OWNED MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT SITE AND RELATED FACILITIES (APNS: 066-031-032, 066-031-033, AND 066-031-034)**

BACKGROUND

1. The Cayucos Sanitary District (District) and City of Morro Bay (City) jointly own the Wastewater Treatment Plant properties (hereafter collectively referred to as "Property" and as shown in **Attachment 1**) at 160 and 180 Atascadero Avenue in Morro Bay.
2. The District has co-owned the property since 1953.
3. The District and City both have built separate Water Resource Recovery Facilities and no longer utilize the Wastewater Treatment Plant.
4. Property administration is achieved via a Joint Powers Agreement (JPA) [**Attachment 2**] dated October 21, 1982, and amended January 15, 1986.
5. The District owns 40% of the land and has equal voting rights on property management concerns.
6. The City desires to buy out the District's ownership share so the City can redevelop the land.
7. The District and City obtained a property appraisal ("appraisal," **Attachment 3**) by Central California Appraisals to facilitate the property sale.
8. The District and City staff have negotiated and tentatively agreed upon a final sale price, terms, and conditions as part of a Purchase and Sale Agreement.
9. The JPA requires that the District and City must each approve issues relating to the jointly-owned property.
10. The Morro Bay City Council approved the Purchase and Sale Agreement at its regularly scheduled meeting on March 24, 2026.

ANALYSIS

The District and City co-own approximately 18.82 acres of land located at 160 and 180 Atascadero Road in Morro Bay. The Property (**shown in Attachment 1**) consists of multiple parcels with varying uses. Former uses of the Property include the Wastewater Treatment Plant, R.V. Park, concrete batch plant site, and open space beach area. The only current uses on the

property are an R.V. Park and a Household Hazardous Waste Collection Facility. The District currently receives a share of the rent for the active onsite uses.

The City applied for and received a Coastal Development Permit (CDP) from the Coastal Commission to allow the Property to be redeveloped. The CDP requires the City to demolish the existing Wastewater Treatment Plant site within one year of starting operation of the City's Water Reclamation Facility (WRF). The City's WRF commenced operations in 2023. The City desires to move forward with demolition of the Wastewater Treatment Plant and decided the best way to achieve its redevelopment goals is full site ownership. Therefore, the City requested the District sell its ownership interest in the site and other improvements.

The District and Morro Bay agreed to value the property based on the rezoned use consistent with the City's Waterfront Master Plan's proposed zoning. The Property appraisal valued the land at $9,670,000, of which the District's 40% share would be approximately $3,867,800.

The District Board of Directors and City Council have each met separately in closed session several times to consider the matter and have come to a tentative agreement on the sales price, terms and conditions for the Property Purchase and Sale Agreement (PSA) [**Attachment 4**]. The following list outlines the key PSA agreement points:

1. **Sale Price**: $3,867,800.
2. **Escrow Period**: 90 Days for due diligence
3. **Escrow Costs**: The District and City will split the escrow and related transaction costs 50/50.
4. **Environmental Testing**: The City is requesting the ability to sample soil for hazardous substances. The District Manager will be authorized to review any soil sampling locations for approval. If the City decides to collect water samples, the City will be required to request approval of the District Board prior to sampling. All testing results will be presented to District staff within 24 hours of receipt by the City. All testing results shall be presented to the District no less than 14 days prior to the close of escrow. All testing costs and liabilities will be the responsibility of the City.
5. **Termination Rights**: The District Board will review the testing results obtained during the due diligence period to determine if the sale will proceed.
6. **Decommissioning of the WWTP**: The City has the sole responsibility for decommissioning work and costs after the close of escrow.
7. **Buyer's Indemnification**: The City will indemnify, defend, and hold the District harmless from and against any and all claims made or any loss incurred caused by the City's ownership after escrow closes.
8. **Joint Powers Agreement**: The JPA will terminate effective upon close of escrow.
9. **Assets Being Sold Along with Property**: The District's 40% interest in the Trunk Main, 35% interest in the Treatment Plant Equipment, and 35% interest in the Ocean Outfall.

FISCAL IMPACT

The sale of the WWTP site to the City will result in a net positive fiscal impact of approximately $3,867,800 to the District. The District will have one-time escrow closing costs of approximately $5,000.

CEQA

Staff finds that this action is not a project under the California Environmental Quality Act pursuant to State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

RECOMMENDATION

Staff recommends that the Board of Directors approve the Purchase and Sale Agreement with the City of Morro Bay, authorize Board President to sign the Purchase and Sale Agreement and all related escrow documents to enable the property sale, and allow minor non-substantive changes to the Purchase and Sale Agreement subject to review by District Counsel.

ATTACHMENTS

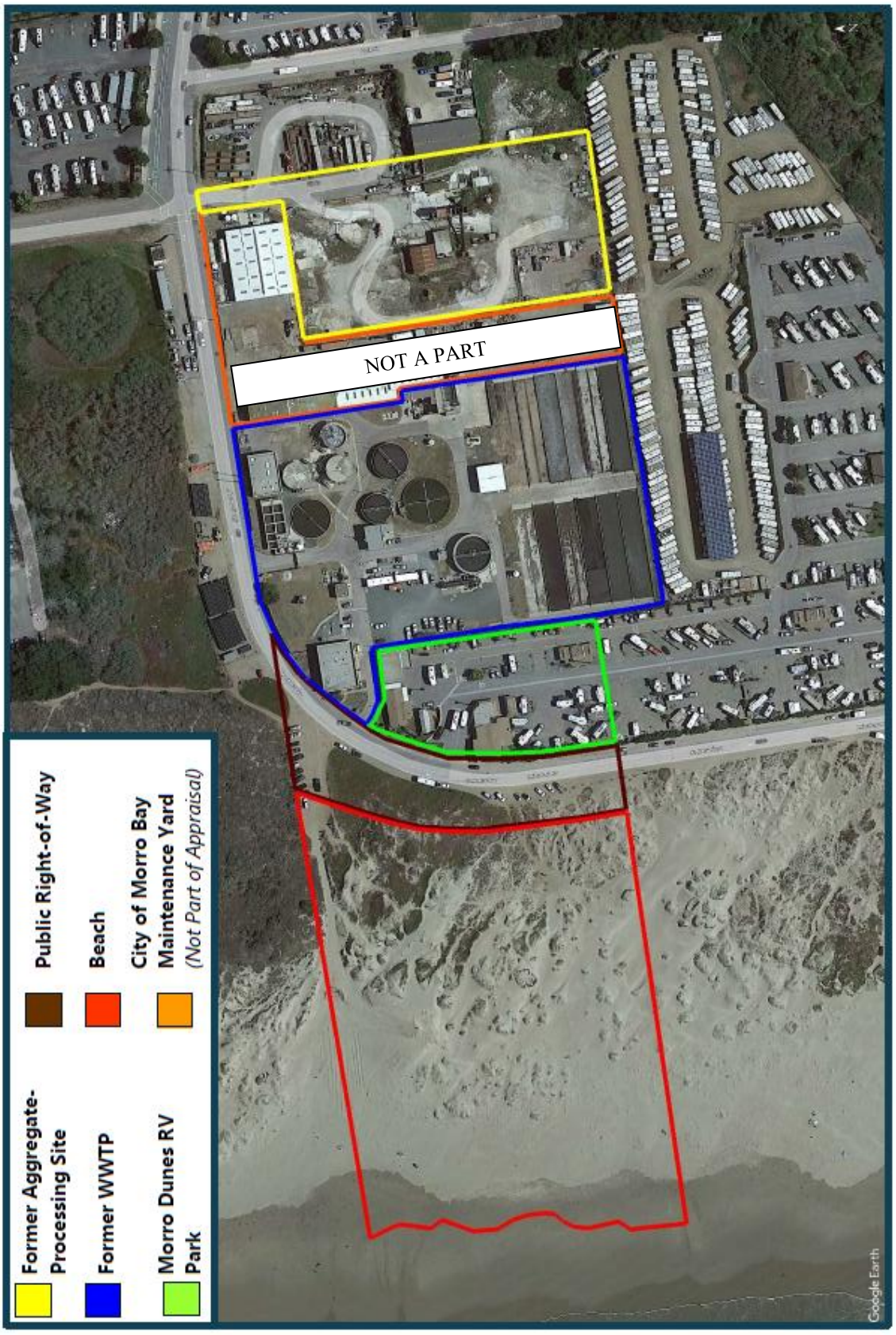
1. Wastewater Treatment Plant Property Map (Page 4)

2. Joint Powers Agreement (Page 5)

3. Appraisal Report (Because this document is over 300 pages, it has been posted to the District's website at the following web address: https://www.cayucossanitarydistrict.gov/files/e65fa3868/Attachment+3+-++2024+MB+Cayuc+WWTP+Property+Appraisal+-+Final.pdf)

4. Purchase and Sale Agreement (Page 43)

ATTACHMENT 1
WASTEWATER TREATMENT PROPERTY MAP



ATTACHMENT 2
JOINT POWERS AGREEMENT

JOINT POWERS AGREEMENT FOR THE OWNERSHIP, OPERATION AND MAINTENANCE OF WASTEWATER TREATMENT FACILITIES

THIS AGREEMENT, entered into this 25th day of October, 1982, by and between the CITY OF MORRO BAY, a municipal corporation (hereinafter called "MORRO BAY"), and the CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California (hereinafter called "CAYUCOS").

This Agreement is made with reference to the following agreed upon facts:

A. MORRO BAY, as successor to the Morro Bay Sanitary District, and CAYUCOS jointly own the existing wastewater treatment plant situated within the city limits of MORRO BAY, as well as the real property on which said plant is located, on the basis of 60% by MORRO BAY and 40% by CAYUCOS.

B. MORRO BAY and CAYUCOS are currently operating said plant under a Joint Construction and Operation Agreement dated June 16, 1953, as amended by letters on May 9, 1969, and June 26, 1973 (hereinafter collectively referred to as "1953 JPA").

C. There is now pending legal action commenced by CAYUCOS against MORRO BAY entitled "Cayucos Sanitary District, et al. v City of Morro Bay," San Luis Obispo County Superior Court No. 55956, which action seeks resolution of disputes concerning the ownership and usage of its wastewater treatment plant and the real property upon which the plant and appurtenant facilities are located (hereinafter referred to as "plant site litigation"). CAYUCOS and MORRO BAY, by this Agreement, wish to resolve, compromise and settle all claims and disputes raised by said plant site litigation.

D. The parties by this Agreement intend and desire that the 1953 JPA be cancelled and that it be replaced by this Agreement, and agree that the changes, additions, and modifications as set forth in this Agreement are reasonable and necessary and are in the interest of both parties.

E. CAYUCOS and MORRO BAY have determined that it is to their mutual advantage to reconstruct and expand the existing wastewater treatment plant at an estimated cost of $13,000,000, which includes construction of the expanded wastewater treatment plant, as well as administration, engineering, and design fees. It is also recognized that CAYUCOS and MORRO BAY have recently completed an ocean outfall project, the ownership, usage, operation and maintenance of which CAYUCOS and MORRO BAY intend to be covered by this Agreement. The ocean outfall was designed, constructed and paid for on the basis of 40% ownership and capacity in said outfall by CAYUCOS, 60% by MORRO BAY. Likewise, the local share of Phases I and II of the design of the about to be reconstructed and expanded wastewater treatment plant was paid for by the parties on the basis of 40% CAYUCOS, 60% MORRO BAY, with the understanding that MORRO BAY would ultimately own and need 60% of the expanded plant, and CAYUCOS 40%. It now has been determined and agreed between the parties that the respective capacity needs in the expanded wastewater treatment plant and ocean outfall are 65% to MORRO BAY and 35% to CAYUCOS. The parties therefore, by this Agreement, wish to memorialize that, upon completion of the expanded and reconstructed wastewater treatment plant, MORRO BAY will own and hold capacity rights to 65% of such reconstructed plant (which will be deemed to include the entire plant, including any previously existing portions of the plant) and ocean outfall, and CAYUCOS 35%. This change in plant ownership will not affect the ownership of the treatment plant site property, or the common trunk line, all of which will remain in an ownership

of 40% CAYUCOS, 60% MORRO BAY. Until completion of the expanded and reconstructed wastewater treatment plant, the ownership rights and capacities in the existing plant and ocean outfall will remain 40% in CAYUCOS, 60% in MORRO BAY. The parties further intend to provide herein for the reimbursement by MORRO BAY of excess money advanced by CAYUCOS for the design and construction of the ocean outfall and for the design of the new wastewater treatment plant.

F. It is anticipated that up to 87 1/2% of the project cost will be supplied by federal and state grants and that a minimum of 12 1/2% of the project cost must be supplied by MORRO BAY and CAYUCOS. It is estimated that MORRO BAY and CAYUCOS will have to provide approximately $1,625,000 as their share of the project cost. It is also estimated that approximately $1,000,000 cash, in addition to the project cost, will be required on an interim basis to meet construction costs prior to receipt of federal and state grants. Regardless of these estimates, MORRO BAY and CAYUCOS will pay their respective share of the cost.

G. Federal and state grant programs set recommendations for conditions of use. Under the grant programs, all users are encouraged to pay on a pro-rata basis an annual amount equal to the annual depreciation on the total existing and new plant and annual operation costs. Depreciation schedules are established by federal and state guidelines and vary for machinery, structures, pipelines, and other components of the system. It is estimated that the net useful life will be approximately thirty (30) years. The parties shall consider establishing a program for charging the annualized depreciation cost to the users and placing such funds in a capital outlay fund for eventual replacement of the facilities.

H. MORRO BAY and CAYUCOS are concerned with the development of a regional water quality management program consistent with federal and state policies.

I. This is intended to be a joint powers agreement setting forth the respective rights of MORRO BAY and CAYUCOS for purposes of the construction of the expanded wastewater treatment plant, as well as for the ownership, operation, and maintenance of said plant and appurtenant facilities. CAYUCOS is authorized by Health and Safety Code Section 6512, as well as Government Code Sections 6500 et seq., to enter into a joint powers agreement with any municipality to:

> "... acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate such ... sewers, drains, septic tanks, sewerage collection, outfall, treatment works and other sanitary disposal systems ... and water reclamation and distribution systems, as in the judgment of the board shall be necessary and proper. ..."

MORRO BAY is authorized as a general law city and pursuant to Government Code Sections 6500 et seq. to enter into this Agreement for the joint ownership, operation and maintenance of the wastewater treatment plant.

NOW, THEREFORE, in consideration of the premises and covenants, agreements and conditions stated herein, MORRO BAY and CAYUCOS agree as follows:

1. RECITALS: The foregoing recitals are true and correct.

2. OWNERSHIP OF LAND AND SETTLEMENT OF PLANT SITE LITIGATION:

a. It is agreed that the parcels of real property shown as Parcels 2 and 4 on the plat attached hereto as Exhibit "A" and more particularly described in Exhibit "B" have heretofore been jointly acquired by the parties to be used in connection with the operation of the wastewater treatment plant.

b. It is agreed that the parcel of real property shown as Parcel 1 on Exhibit "A," and more particularly described in Exhibit "C" attached hereto (hereinafter referred to as the "Speedway Property"), was quitclaimed by the County of San Luis Obispo to the City of Morro Bay in 1977. CAYUCOS, in the plant site litigation, has claimed ownership of a 40%

interest in the Speedway Property. It is agreed by the parties that the Speedway Property is necessary for both the present and future operation of the wastewater treatment plant and ocean outfall. MORRO BAY hereby grants to CAYUCOS a 40% undivided fee title interest in the Speedway Property, as described in Exhibit "C."

c. It is agreed that the parcels of real property shown on Exhibit "A" as Parcels 5A and 5C and more particularly described in Exhibit "D" attached hereto are currently owned 100% by MORRO BAY, but it is further agreed that said parcels are necessary for immediate and future plant expansion purposes. MORRO BAY hereby grants to CAYUCOS a 40% undivided fee interest in that real property more particularly described in Exhibit "D."

d. It is agreed that the real property shown on Exhibit "A" as Parcel 3, and more particularly described in Exhibit "E" attached hereto (hereinafter referred to as "maintenance yard parcel"), is currently owned by MORRO BAY as to a 60% undivided interest and by CAYUCOS as to a 40% undivided interest. Said property was originally jointly acquired for use for wastewater treatment plant purposes. However, substantial improvements to the maintenance yard parcel have been constructed by MORRO BAY for non-wastewater treatment plant purposes. Because of such investment, MORRO BAY now desires exclusive ownership of the maintenance yard parcel. In light of the property exchange provided by this Agreement, it is agreed that such property is no longer necessary for present or future wastewater treatment plant purposes. CAYUCOS hereby grants to MORRO BAY a 40% undivided interest in the maintenance yard parcel, as more particularly described in Exhibit "E," reserving therefrom a non-exclusive easement for road purposes, pipeline, utility, and any uses appurtenant to the operation and maintenance of the wastewater treatment plant, including

incidental rights of access, and entry for repair, maintenance, or reconstruction, over the southerly 50' of the maintenance yard parcel as is more particularly described in Exhibit "E." Said easement shall be for the benefit of and appurtenant to the real property described in Exhibits "B," "C," and "D." MORRO BAY grants to CAYUCOS said easement and agrees not to place any encroachments, other than temporary parking of vehicles or temporary storage of materials which will be moved by MORRO BAY within eight (8) hours of notice by CAYUCOS, on, over, or under the easement hereby reserved, including, but not limited to, the erection of any structure, or storage of any materials. CAYUCOS further reserves from the real property described in Exhibit "E" an easement for egress and ingress through the existing entrance to the maintenance yard over the now existing route into the plant site described in Exhibit "B," Parcel 2.

e. CAYUCOS hereby agrees to dismiss the action identified in Paragraph C, above, with prejudice and supply an endorsed copy of such dismissal to MORRO BAY within thirty (30) days of the date this Agreement is recorded and in such action, each party shall bear its own expenses.

f. CAYUCOS hereby fully releases and discharges MORRO BAY from any and all rights, claims, damages, losses, liability, actions, causes of action, and/or attorneys' fees of any kind or nature, past, present, or future, which CAYUCOS now has or may hereafter acquire against MORRO BAY arising out of or by reason of the facts set forth in the Complaint, as amended, (including, but not limited to, use of the MORRO BAY maintenance yard and accountings for past lease rentals) filed in the action identified in Paragraph C, above. CAYUCOS further releases and discharges MORRO BAY from any liability for damages for any alleged encroachments by MORRO BAY into the capacity in the existing wastewater treatment plant which may have occurred prior to the effective date of this Agreement. Any capacity

encroachments by either party occurring after the date of this Agreement shall be subject to the remedies provided in Paragraph 8. This release shall not be construed, however, to extend to any right created by this Agreement. This release shall extend to unknown, as well as known claims, notwithstanding Section 1542 of the California Civil Code which provides:

> "A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

3. USE OF WASTEWATER TREATMENT PLANT SITE PROPERTY. For purposes of this Agreement, the "wastewater treatment plant site" includes the real property described in Exhibits "B," "C," and "D," as well as the easement reserved from and granted over the property described in Exhibit "E." (Parcels 1, 2, 4, 5A, 5C, and the easement over Parcel 3, as shown on Exhibit "A.") It is agreed that the wastewater treatment plant site will be used exclusively for operation of the wastewater treatment plant and neither CAYUCOS nor MORRO BAY shall make any other use of said property, or any portion thereof, or authorize the use thereof by any third party, without the prior written Agreement of MORRO BAY and CAYUCOS. In the event that such a written agreement is entered into, it will provide that the party utilizing any portion of the wastewater treatment plant site (including improvements) for any non-plant related purposes shall pay the non-using party to this Agreement the non-using party's pro-rata share (40% or 60%) of the fair market rental value for such use. Likewise, any lease or other authorization to use any portion of the wastewater treatment plant site (including improvements), or any amendments to existing use permits or leases, granted to any third party shall be in writing executed and approved by both CAYUCOS and MORRO BAY and shall require the payment of the fair market rental value of the property utilized. Rental value shall be allocated on the basis of 40% to CAYUCOS and 60% to MORRO BAY. It is recog-

nized that there currently exist leases of portions of the wastewater treatment plant site known as the "Morro Dunes lease site" (MORRO BAY Use Permits Nos. 115 and 120 and that portion of lease site No. 201 located within the wastewater treatment plant site), and that such uses are terminable on less than thirty (30) days notice. CAYUCOS shall receive a 40% pro-rata share of said lease payments and MORRO BAY shall receive a 60% pro-rata share of said lease payments. Likewise, it is recognized that there exists a long term lease of the "Morro Bay materials lease site" (Parcel 4 on Exhibit "A") and that MORRO BAY shall receive a 60% share of lease payments and CAYUCOS shall receive a 40% share of lease payments. Should any of the lease or use permit properties be necessary for wastewater treatment plant or related purposes in the future, MORRO BAY and CAYUCOS shall terminate such uses consistent with the terms of the permits or leases. MORRO BAY covenants and warrants that there are no other leases, use permits or any other non-treatment plant uses on the wastewater treatment plant site other than those enumerated in this paragraph. MORRO BAY shall provide detailed accountings each quarter specifying all rental income received for any use on the wastewater treatment plant site, as well as the basis for calculating the amount of rent due.

4. COLLECTION LINES: With the exception of the common trunk line and ocean outfall provided for in Paragraph 5, each of the parties shall assume the full responsibility for the construction, repair, replacement, operation, and maintenance of any trunk lines and sewer collection lines within their respective boundaries, and if necessary, will cause to be acquired, by purchase or condemnation, rights-of-way for such trunk lines and collection facilities. The cost of construction of such facilities and acquisition of rights-of-way shall

be the sole obligation of the party within whose boundary the same are located and such facilities and rights-of-way shall be the property of such party. With the exception of the common trunk line and ocean outfall, each party agrees to adequately maintain the collection and trunk lines within their respective boundaries.

5. COMMON TRUNK LINE AND OCEAN OUTFALL: It is understood and agreed that a common trunk line has been constructed by the parties within the boundaries of MORRO BAY and is owned on a 60% MORRO BAY-40% CAYUCOS basis. It is agreed that both at the present time, and after the reconstructed plant is completed, MORRO BAY has, and will have, a 60% capacity right, CAYUCOS a 40% capacity right in the common trunk line. Said common trunk line runs from the northerly boundary line of MORRO BAY to the wastewater treatment plant jointly owned and operated by the parties. In addition, it is understood and agreed that a common ocean outfall line has been constructed by the parties within the boundaries of MORRO BAY and into the Pacific Ocean and is currently owned on a 60% MORRO BAY-40% CAYUCOS basis. However, it is further agreed that, upon completion of the reconstructed and expanded wastewater treatment plant, MORRO BAY will own 65% capacity in said ocean outfall, CAYUCOS 35%. Said common trunk line and common ocean outfall shall be jointly operated and maintained as an expense of operation of the overall wastewater treatment plant and the cost thereof apportioned between the parties in the same manner based on usage calculated by flow.

6. OPERATION, REPAIR AND MAINTENANCE:

a. Joint Responsibility by MORRO BAY and CAYUCOS; Joint Meetings. Operation, repair and maintenance of the wastewater treatment plant and connected facilities jointly owned by the parties shall be accomplished jointly pursuant to

the provisions of this paragraph. Such responsibility shall be carried out jointly through the City Council of MORRO BAY and the Board of Directors of CAYUCOS. For this purpose, the Board of Directors of CAYUCOS and the City Council of MORRO BAY shall regularly schedule joint meetings of their respective bodies at least quarterly to discuss and decide policy direction for the operation, repair and maintenance of the wastewater treatment plant and connected facilities. Either governing body may call a special joint meeting of the governing bodies of CAYUCOS and MORRO BAY on two (2) days written notice. Each meeting shall require a quorum of each governing body to conduct business. An agenda shall be prepared and distributed in advance of each meeting to each governing body member. The agenda shall include any policy questions or any issues concerning the operation, repair and maintenance of the jointly owned facilities raised either by CAYUCOS or MORRO BAY. The agenda package shall also include a staff report from the plant manager and/or his superior to adequately apprise the governing body members of any pertinent information concerning the facilities. Action at any such joint meeting shall be as follows: Affirmative action will be considered to be taken on any motion if it receives a majority vote of both the quorum of the CAYUCOS Board and a quorum of the MORRO BAY Council. If there is not a majority of a quorum of both entities voting in favor of any particular motion, action will be taken by a majority of the total votes cast, with at least six (6) affirmative votes required. Reference to a quorum means a five (5) member board as to CAYUCOS and a five (5) member board as to MORRO BAY. If the parties cannot agree according to the procedures specified above and if an impasse exists, the parties, by separate majority votes of a quorum of each governing body, shall agree to an engineer or other mutually agreeable individual who will present his report and have

the right to vote on the disputed issue at the next joint meeting. The person selected shall not be an employee or consultant of either entity. This paragraph and these procedures relate to policy considerations such as, but not limited to, annual budgets, personnel matters, property uses and leases, flow of information, purchase and maintenance of equipment, etc. These procedures do not apply to impasses as to whether this Joint Powers Agreement should be amended. Such impasses must be resolved by separate majority vote of each governing body as provided in Paragraph 11. These procedures also do not apply to interpretation of this Agreement or to enforcement of this Agreement, which matters shall be resolved pursuant to the provisions of Paragraph 22.

b. Continuation of Routine Day to Day Operation and Maintenance by MORRO BAY. It is recognized that the routine day to day operation and maintenance of the wastewater treatment plant and jointly owned connected facilities is currently conducted by MORRO BAY employees. It is agreed that such routine day to day operation and maintenance will continue to be performed by MORRO BAY employees unless and until there is a policy decision made pursuant to the procedures provided hereinabove to provide for operation and maintenance in a different manner. In performing such routine day to day operation and maintenance, it is agreed that no unbudgeted expenditure in excess of $10,000 will occur without the prior consent of both MORRO BAY and CAYUCOS. It is further agreed that MORRO BAY will not fill any job vacancy for a position which primarily involves work on the wastewater treatment plant facilities without written approval of a designated member from CAYUCOS and a designated member from MORRO BAY, provided minimum required staff levels shall be maintained. Emergency unbudgeted expenditures for repairs in excess of $10,000 may be made by approval of one designated member from CAYUCOS and one from

MORRO BAY. Operation and maintenance expenses of MORRO BAY's employees whose jobs are primarily devoted to operation and maintenance of the wastewater treatment plant shall include a pro-rata share of direct and indirect employer costs attributable to the proportion of time spent by such employees on wastewater treatment plant related activities. The term "indirect employer costs" includes that portion of the employees' time attributable to the operation and maintenance of the treatment plant, outfall, common trunk line and related facilities of his workers' compensation, disability benefits, retirement benefits and health benefits. Indirect employee costs also recoverable include staff time indirectly related to, but reasonably necessary for the joint operation, reconstruction, repair and maintenance of the wastewater treatment plant. Such indirect staff time will be billed at MORRO BAY's actual hourly wage cost times the factor of 1.5. The term "actual hourly wage costs" excludes "indirect employer costs" as above defined. The "actual hourly wage cost" for salaried employees shall be the employee's monthly salary, exclusive of indirect employer costs, divided by one hundred seventy (170) hours, assuming a forty (40) hour normal work week. This formula shall change should there be a future modified work week. Operation and maintenance expense includes a pro-rata share of the reasonable rental value of MORRO BAY owned equipment utilized for operation and maintenance of the wastewater treatment plant. CAYUCOS' share of MORRO BAY employee expense shall be apportioned based on usage as part of operation and maintenance costs calculated pursuant to Paragraphs 6c and 6d. MORRO BAY shall make its orders for payment of unbudgeted operation and maintenance expenses for consideration and approval at the joint meeting of the CAYUCOS Board and MORRO BAY Council, along with adequate evidence thereof. Upon approval by the CAYUCOS Board, payment shall be no later than thirty (30) days after such meeting.

c. Apportionment of Cost of Operation and Maintenance Costs. Operation and maintenance costs shall be allocated between CAYUCOS and MORRO BAY based upon each participant's actual usage based upon flow as calculated pursuant to Paragraph 6d. Operation and maintenance expenses include the costs of labor, power, chemicals, supplies, laboratory control and monitoring, general administration, billing and incidental items incurred during normal operation. Also included are those expenditures termed ordinary repairs necessary to keep the facilities in proper operating condition, replacements and other administrative costs, such as overhead, insurance, and accounting, which are directly related to the operation and maintenance of the wastewater treatment plant. Replacement is defined as expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the service life of the wastewater treatment plant to maintain the capacity and performance for which such plant was designed and constructed. The term "operation and maintenance" includes "replacement."

d. Determination of Actual Usage. On or before January 31 of each year, CAYUCOS and MORRO BAY at their joint meeting shall determine by examination of operations performed to that date the proportion of sewage attributable to each party and the result thereof will be the proportion which each party agrees to pay in making payment of the operation and maintenance costs for the following year from January 1 through December 31. Notwithstanding the foregoing, at the end of each year, the cost shall be allocated readjusted on the basis of the use that has actually occurred in the immediately preceding year. Further, CAYUCOS and MORRO BAY at any joint meeting may update the allocation of costs at any reasonable time within each year based on the records of actual use during the

year. The plant operator shall each month furnish MORRO BAY and CAYUCOS with a flow analysis of effluent flowing through the plant in the previous month, which record shall be used to determine the parties' usage and percentage of costs liability under this paragraph. CAYUCOS and MORRO BAY at a joint meeting shall make orders for payment of the operation and maintenance expenses and thereafter CAYUCOS shall pay its respective share thereof. Payments therefor shall be made not later than thirty (30) days following the date of presentation of such statement.

e. Accounting System. A separate account for revenues and expenses of wastewater treatment and disposal shall be established within six (6) months. The uniform system of accounts prescribed under Title 2, Division 2, Chapter 2, Sections 1101.1 through 1103.4 of the California Administrative Code shall be used, or an accounting system that will provide essentially the same level of detail as the uniform system. This system will include an audit conducted at least annually by an independent certified public accountant selected by both CAYUCOS and MORRO BAY of the operation and maintenance of the jointly owned wastewater treatment facilities and the jointly controlled property uses. Each party shall have the right to review the financial, engineering and other records relating to the operation of the plant of the other party. Such records shall be made available on request.

7. FLOW METERS: It is understood and agreed that two (2) measuring devices, at least one of which shall be fixed and adequately measure total flow into the wastewater treatment plant, shall be installed within the wastewater treatment plant and that an additional pair of meters is located at the southerly boundary line of CAYUCOS. The flow meters shall be calibrated at least annually by a mutually agreeable outside consultant. The meters shall be maintained and repaired as operational expenses of the wastewater treatment plant and common outfall line and paid in the same manner thereof. The plant operator

shall furnish CAYUCOS and MORRO BAY with a monthly flow analysis showing the flow through such meters. Each party shall have the right at any reasonable time to have access to, and to test, any such flow meters.

8. PERPETUAL RIGHT OF USE:

a. Ownership and Capacity Rights. MORRO BAY and CAYUCOS each shall have the perpetual right to use all of the facilities presently constituting the wastewater treatment plant and common outfall line in the percentages and proportions of ownership as hereinafter set forth. MORRO BAY shall, on completion of such expanded and reconstructed plant, own and hold capacity rights to 65% of the ocean outfall and reconstructed and expanded wastewater treatment plant; CAYUCOS shall own and hold capacity rights to 35% of the same. Should it be ordered by a court of competent jurisdiction, or by the conditions of the grant as imposed on MORRO BAY and CAYUCOS, that CAYUCOS has a legal obligation to take a 40% interest, the ownership and capacity rights would be apportioned at such time as 40% CAYUCOS and 60% MORRO BAY. In such event, CAYUCOS would be obligated to return to MORRO BAY any recoupment previously paid pursuant to Paragraph 23 along with 12% per annum interest from the date CAYUCOS received such recoupment. Until completion of the reconstructed and expanded plant, the ownership and capacity rights of the existing wastewater treatment plant and ocean outfall shall remain 40% CAYUCOS, 60% MORRO BAY. In addition, should there ever be an increase in the rated capacity of either the existing wastewater treatment plant and outfall or the reconstructed plant due to the granting of a waiver of secondary discharge requirements, the ownership of and capacity rights in such additional rated capacity attributable to the secondary discharge waiver shall be apportioned on the basis of 40% to CAYUCOS and 60% to MORRO BAY.

b. Capacity Definitions. Neither of the parties shall in any way grant, encumber, limit, or restrict its interest or ownership in any part of the joint facilities, or seek to partition the same or have any part thereof set apart for any purpose other than the disposal of sewage and sewage effluent, without the prior written consent of the other party. Neither of the parties shall in any way encroach upon the capacity rights of the other without the prior written consent of the other party. It is agreed that the present plant capacity is 1.7 million gallons/day average dry weather flow (mgd) and outfall capacity is 2.4 mgd, which capacity is owned respectively at 0.68 mgd and 0.96 mgd for CAYUCOS and 1.02 mgd and 1.44 mgd for MORRO BAY. An encroachment will exist in the existing plant and outfall line or in the existing common trunk line if CAYUCOS or MORRO BAY exceeds its respective capacity in the plant, common trunk line, or outfall line capacity. It is further agreed that the capacity in the expanded plant will be that shown in Exhibit "F," attached hereto, with waste loading parameters related to flow, strength and waste flow, quantities to peak seasonal dry weather flow (PSDWF). As a policy matter to be decided jointly by CAYUCOS and MORRO BAY, the capacities fixed in this subparagraph may be adjusted on the basis of changed circumstances, such as the granting of a waiver of secondary discharge requirements. An encroachment shall exist if any of these parameters is exceeded by MORRO BAY or CAYUCOS as to each respective party's percentage capacity rights. In the event of an encroachment, the responsible party will immediately disallow any new or increased flow sources to connect to or add flow to its respective collection system until all its respective waste loadings are below its share of the capacity. Within fifteen (15) days of identification of an encroachment, the encroaching party shall submit a written plan to the other party showing how it intends to rectify the en-

croachment. Should one party infringe upon the other party's capacity, even if the total plant capacity is not being approached, it is hereby agreed that the encroached upon party will be irretrievably harmed and would be entitled to injunctive relief to restrain any such encroachment. The specific remedies provided herein are not exclusive and any encroached upon party is also entitled to any other remedy available in law or in equity.

9. BY-PRODUCTS OF TREATMENT: Any fertilizer, water, or other substance resulting from the operation of any of the joint facilities shall be deemed to be the property of the parties hereto and apportioned on a 60-40 basis. The sale proceeds therefrom will be apportioned accordingly. Any modification of the wastewater treatment plant which is necessitated by the desire of either MORRO BAY or CAYUCOS to install sewage effluent reclamation facilities or to produce any other by-product of treatment shall be constructed only after written agreement of MORRO BAY and CAYUCOS. Any such agreement shall provide for reasonable compensation to the non-participating party for use of effluent used in such a reclamation system beyond the participating pary's owned share of effluent. The participating party shall also pay 100% of any additional costs of design, construction, operation or maintenance attributable to such reclamation facilities. Either CAYUCOS or MORRO BAY shall have the right, for its own use, to use its proportionate share of effluent, fertilizer, water, methane gas, or other substance resulting from its use without payment to the other party. Such usage limitations are to be based on actual flow.

10. SERVICE OUTSIDE PARTY'S BOUNDARY: Either party may serve property outside its corporate boundaries with sewage service provided that any effluent therefrom shall meet all applicable quality standards and shall meet all of the terms and conditions of this Agreement. Such service shall be

charged against the party's capacity in the treatment plant. The party authorizing such use outside of its corporate boundary shall ensure that all proper permits, amendments and authorizations have been obtained and shall be responsible for violation of the terms of this Agreement by an outsider user. A violation by an outside user shall constitute a breach of this Agreement by the authorizing party. Any revenues obtained from the authorization of use outside an entity's corporate boundaries shall be the property of such entity.

11. AMENDMENT OR WAIVER: The terms and provisions of this Agreement may be altered, amended, or varied only with the written consent and agreement of both parties hereto. Amendments to this Agreement shall become effective only when approved by the respective governing bodies of MORRO BAY and CAYUCOS and when in fact executed by two (2) authorized members of each of the governing bodies. A waiver of any term or condition shall not establish any continuing right to such waiver.

12. NEW FACILITIES: MORRO BAY and CAYUCOS are about to commence construction in the next several months of substantial reconstruction and expansion of the wastewater treatment plant covered by this Agreement. Subject to the conditions contained in this paragraph, MORRO BAY shall act as agent and fiduciary on behalf of CAYUCOS with respect to said project. In connection with the construction of new facilities, the method for screening, as well as hiring or firing of all consultants and contractors, shall be approved by CAYUCOS prior to MORRO BAY taking any action on behalf of CAYUCOS. CAYUCOS and MORRO BAY approve the plans and specifications and terms of grants and permits established as of the date of this Agreement. MORRO BAY shall keep CAYUCOS constantly informed of the activities and progress relative to such project, including immediate transmittal of copies of all documents and correspondence pertaining thereto. The powers of MORRO BAY as agent

and fiduciary of CAYUCOS shall include the following powers:

a. Accept the grant offer for this project dated October 5, 1982;

b. Apply for and otherwise pursue any and all state and federal grants and loans available for such project, subject to prior approval by CAYUCOS of the terms and conditions of any such grant or loan;

c. Prepare plans, specifications, construction contracts, bid documents, and other materials pertaining to such facilities subject to prior review and approval by CAYUCOS of any modifications made after the date of this Agreement;

d. Negotiate for the acquisition of easements, rights-of-way and other interests in property necessary for such project;

e. Apply for and secure any federal, state and local permit, licenses and other approvals necessary for the construction and operation of such facilities, subject to prior review and approval by CAYUCOS of all terms and conditions of any such permit, license or approval;

f. The construction management firm of Brown and Caldwell/Heery shall be retained for construction management.

13. TERMS OF PARTICIPATION: MORRO BAY and CAYUCOS hereby agree to go forward with the plant reconstruction and further agree to joint ownership of the reconstructed wastewater treatment plant and the recently completed ocean outfall on a basis of 65% MORRO BAY, 35% CAYUCOS, such ratios will take effect upon completion of the reconstruction project. In the event a new expanded plant is not constructed, the ownership and capacity rights of the existing plant and outfall shall remain 40% CAYUCOS and 60% MORRO BAY. If the agreed upon allocation of 65%/35% is not legally permitted by grant terms, as provided

in Paragraph 8a, the ownership and capacity rights in the plant and ocean outfall shall remain at 40% CAYUCOS and 60% MORRO BAY. Each participant will contribute its proportionate share of the cost of such new facilities and will supply its proportionate share of the necessary capital advances during construction on the 65%-35% basis. Each party agrees to supply the required funds as needed and not later than fifteen (15) days after written request that the funds are in fact needed at that point.

14. FUTURE MODIFICATIONS, REPLACEMENTS AND ENLARGEMENTS: No relocation, reconstruction, alteration to, addition to, or replacement of any portions of the wastewater treatment plant shall occur without the prior written approval by MORRO BAY and CAYUCOS. Unless otherwise agreed to by the parties, the cost of such an agreed to reconstructed plant will be allocated based upon the capacity rights agreed to at the time of reconstruction.

15. CAPITAL RECOVERY: CAYUCOS and MORRO BAY shall consider establishment of a capital outlay fund for eventual replacement of the reconstructed wastewater treatment plant. If required by law to have such a fund, each party agrees to establish and maintain such a fund.

16. QUALITY CRITERIA: Sewage to be delivered to the wastewater treatment plant and effluent from the plant must meet the quality criteria established by the California Regional Water Quality Control Board and other state and federal regulatory agencies having jurisdiction over operation of the plant. In order to meet these requirements, both MORRO BAY and CAYUCOS shall, by ordinance, impose regulations on the quality of waste to be discharged to the sanitary sewer collection system. In addition, the ordinances shall limit or prohibit the discharge into the sewer system of oil and grease and other constitutents normally associated with industrial

waste, which may be harmful to the treatment process and/or prohibited by state regulations. In addition, each agency shall carry out a maintenance and repair program to substantially reduce or eliminate the infiltration of seawater and storm waters into the respective sewage collection systems.

17. QUALITY VIOLATIONS: In the event that MORRO BAY or CAYUCOS continues to deliver or discharge wastewater in violation of federal government or State of California quality criteria twenty-four (24) hours after receipt of notice in writing to correct or remedy said violation, the violating party shall pay all direct and indirect costs of such violation. In addition thereto, the violating party shall pay to the other party the cost, as reasonably determined and certified, of repairing any damage to the interceptor facilities and the existing and any expanded wastewater treatment plant facilities, caused by the delivery of wastewater in violation of said quality criteria. The violating party shall bear all liability arising by reason of violation of said quality criteria, shall indemnify the other party, and shall bear fines imposed by federal and state agencies arising by reason of and directly related to quality violations. Further, in the event of failure to meet quality criteria, the violating party shall bear all additional operation and maintenance costs and all direct and indirect costs to the other party associated with the quality violation, including all staff time, attorney fees, etc., required to correct the violation.

18. NECESSARY STEPS: Subject to the conditions stated in Paragraph 12, CAYUCOS and MORRO BAY agree to take all necessary steps and sign all necessary papers to permit any previously agreed upon reconstruction of the existing wastewater treatment plant. CAYUCOS and MORRO BAY agree to comply with all laws, the terms and conditions of applicable laws, the terms and conditions of applicable accepted grants and accepted permits and

where necessary by virtue of such laws, accepted grants or accepted permits, agree to adopt regulations and ordinances to comply with such applicable laws, grants or permits.

19. ACTS OF GOD: Neither party hereto shall be liable for failure to comply with any term or condition of this Agreement by reason of flood, fire, earthquake, or act of God; provided, that due diligence is exercised to repair or replace facilities damaged and to perform hereunder following such occurrence. MORRO BAY and CAYUCOS shall each pay its proportional share of the net cost of such replacement, based on the capacity held by each at such time, in excess of applicable casualty insurance proceeds, if any. MORRO BAY and CAYUCOS shall jointly determine what level of casualty and other insurance is appropriate.

20. UNPAID AMOUNTS: Unpaid amounts under this Agreement shall bear interest at the rate of ten percent (10%) per annum or prime plus two percent (2%), whichever is greater.

21. ATTORNEY FEES: In the event of failure to comply with the terms of this Agreement, or in the event a dispute arises regarding the terms of this Agreement, the prevailing party shall be entitled to recover their costs, including reasonable attorney fees, pursuant to court order or arbitration order.

22. RESOLUTION OF JPA DISPUTES: The paragraph applies solely to the procedure for interpretation and enforcement of this Agreement and not to the procedure for Agreement modification or policy determination. The procedure for Agreement modification is provided for in Paragraph 11 and the procedure for policy determination is provided for in Paragraph 6a of this Agreement. The following priorities shall be followed in resolving controversies involving the construction or application of any of the terms, covenants or conditions of this

Agreement. The controversy shall first be presented to a joint meeting of CAYUCOS and MORRO BAY for resolution. For this purpose, either party may, in writing, demand a joint meeting of the City Council of MORRO BAY and the Governing Board of CAYUCOS to be held within fifteen (15) days of such demand and such controversy shall be resolved at such joint meeting by an affirmative separate vote of a majority of a quorum of each governing body. Should the controversy not be resolved as a result of such joint meeting, any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Agreement, shall, on written request of one party served on the other, be submitted to arbitration and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Sections 1280 through 1294.2 of the California Code of Civil Procedure. However, this requirement for arbitration does not apply where a controversy has not been resolved at a joint meeting of the governing bodies of CAYUCOS and MORRO BAY and a party seeks a temporary restraining order or injunctive relief from a court of competent jurisdiction to prevent irreparable harm.

23. RECOUPMENT BY CAYUCOS FOR EXCESS MONEY ADVANCED TO MORRO BAY: In consideration of the Agreement herein by CAYUCOS to reduce its ownership in the ocean outfall and expanded wastewater treatment plant from 40% to 35%, MORRO BAY hereby agrees to pay CAYUCOS $120,000. Interest at the rate of twelve percent (12%) per annum will be paid on the principal amount owed until paid by MORRO BAY as a credit to CAYUCOS on the next payments due from CAYUCOS on the wastewater treatment plant

reconstruction project. Hereinafter payments for design and construction of the ocean outfall and expanded wastewater treatment plant shall be allocated on 65%/35% basis.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement the day and year first above written.

CITY OF MORRO BAY

By: _____
EUGENE SHELTON, Mayor

ATTEST:

_____
Paul Baxter, City Clerk

APPROVED AS TO FORM:

_____
Michael T. Le Sage
City Attorney

CAYUCOS SANITARY DISTRICT

By: _____
TERRY SCHUBERT, President

ATTEST:

_____
Ethel Girard, Secretary

APPROVED AS TO FORM:

_____
Roger C. Lyon, Jr.
Attorney for Cayucos Sanitary District

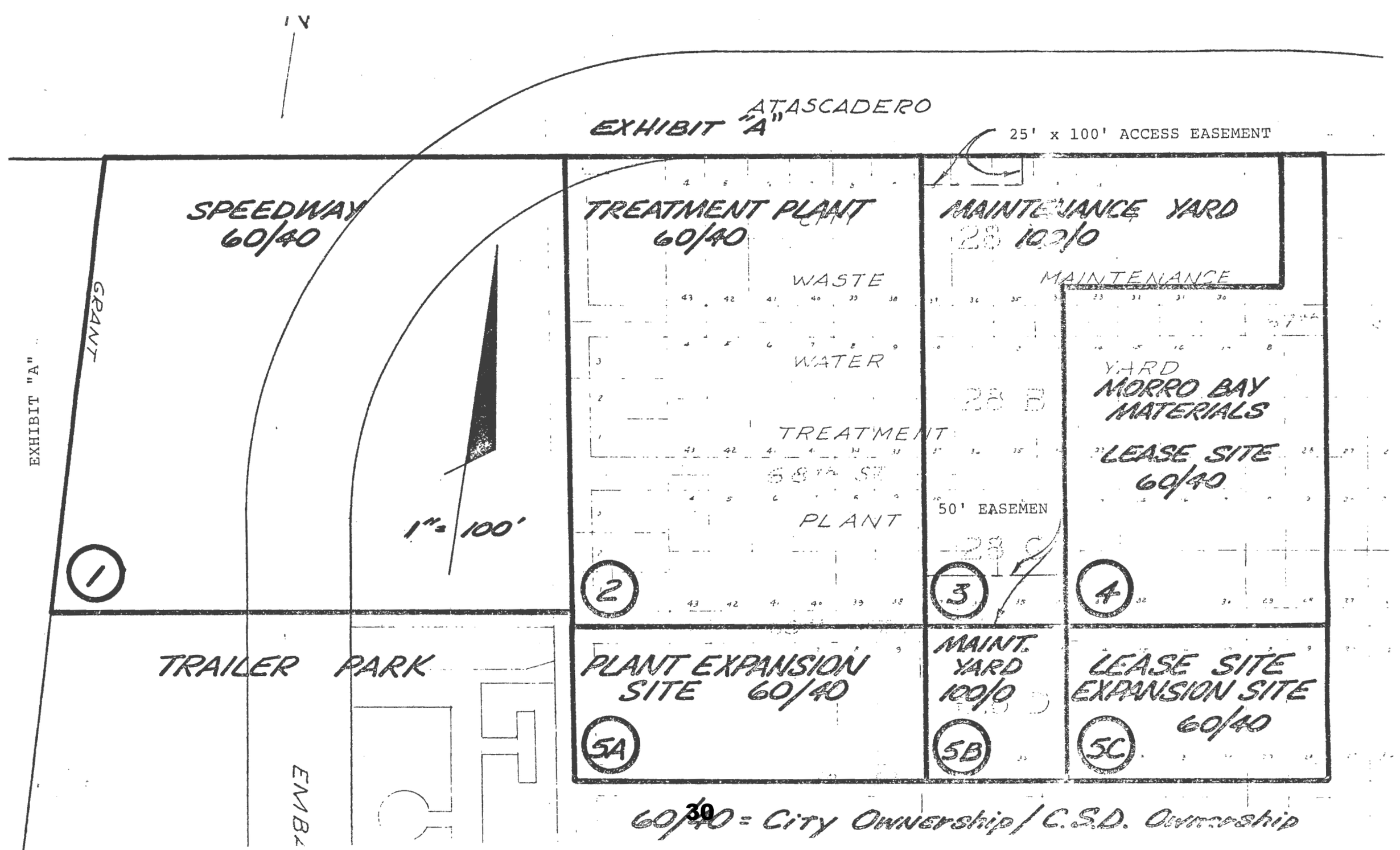


EXHIBIT "A"
ATASCADERO
25' x 100' ACCESS EASEMENT
SPEEDWAY
60/40
GRANT
EXHIBIT "A"
1"= 100'
TREATMENT PLANT
60/40
WASTE
WATER
TREATMENT
PLANT
MAINTENANCE YARD
100/0
MAINTENANCE
YARD
MORRO BAY
MATERIALS
LEASE SITE
60/40
50' EASEMEN
TRAILER PARK
PLANT EXPANSION
SITE 60/40
MAINT.
YARD
100/0
LEASE SITE
EXPANSION SITE
60/40
1
2
3
4
5A
5B
5C
60/40 = City Ownership / C.S.D. Ownership

EXHIBIT "B"

(MORRO BAY MATERIALS LEASE SITE, PARCEL 4)

Being a portion of Blocks 28A, 28B, 28C, 67th, 68th, & 69th Streets of Atascadero Beach Subdivision in the City of Morro Bay as shown on Map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as follows:

Beginning at the intersection of the southerly line of Atascadero Rd, (formerly the Centerline of 66th Street) and the easterly line of Lots 19 and 28 of Block 28A of Atascadero Subdivision previously described, said point of intersection being the true point of beginning, thence;

S0°48'E, 460.00 feet to the Centerline of 69th Street, thence along said Centerline;
S81°12'W, 250.00 feet, thence;
N8°48'W, 340.00 feet, thence;
N81°12'E, 210.00 feet, to the westerly line of lots 19 & 28 of aforementioned Atascadero Subdivision, thence;
N8°48'W, 120.00 feet to the aforementioned southerly line of Atascadero Rd., thence along said southerly line;
N81°12'E, 40.00 feet to the true point of beginning.

(TREATMENT PLANT, PARCEL 2)

Being a portion of Block 28A, 28B, 28C, 67th, 68th, & 69th Street of Atascadero Beach Subdivision in the City of Morro Bay as shown on Map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as follows:

Beginning at the intersection of the centerline of "C" Street and the southerly line of Atascadero Rd. (formerly the Centerline of 66th Street) as shown on the aforementioned subdivision map said point of intersection being the true point of beginning thence;

N81°-12'E, 382.00 feet along said southerly line, thence;
S08°48'E, 280.00 feet, thence;
N81°12'E, 25.00 feet, thence;
S08°48'E, 180.00 feet to the Centerline of 69th Street, thence along said Centerline;
S81°12'W, 407.00 feet, to the Centerline of "C" Street, thence;
N08°48'W, 460.00 feet to the true point of beginning.

EXHIBIT "C"

(SPEEDWAY PARCEL, PARCEL 1)

That portion of "The Speedway" in the City of Morro Bay as shown on map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as the parcel bounded by the following described lines:

Beginning at the intersection of the Centerline of "C" Street and the southerly line of Atascadero Rd (formerly the Centerline of 66th Street) as shown on the aforementioned map, said point of intersection being the true point of beginning, thence;

S08°48'E, 445.00 feet along said Centerline of "C" Street, to the intersection of the westerly prolongation of the northerly line of 69th Street, thence;
S81°12'W, 606 feet more or less along said westerly prolongation to the intersection of the ordinary high tide line of the Pacific Ocean (also referred to as Grant line), thence;
No°04'15"W, 448 feet more or less along said ordinary high tide line to the intersection of the westerly prolongation of its southerly line of Atascadero Rd (formerly Centerline of 66th Street), thence;
N81°12'E, 538.42 feet along said westerly prolongation to the true point of beginning.

EXHIBIT "D"

(PARCEL 5A)

Being a portion of Block 28D, 69th Street & 70th Street of Atascadero Beach Subdivision in the City of Morro Bay as shown on Map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as follows:

Beginning at the intersection of the Centerline of "C" Street and the Centerline of 69th Street, said point of intersection being the true point of beginning, thence;

N81°12'E, 407.00 feet, along said Centerline of 69th Street, thence;
S08°48'E, 150.00 feet to the intersection with the Centerline of 70th Street, thence;
S81°12'W, 407.00 feet along said Centerline of 70th Street, thence;
N08°48'W, 150.00 feet to the true point of beginning.

(PARCEL 5C)

Beginning at the intersection of the Centerline of 69th Street and the easterly line of lots 20 & 27 of Block 28D of aforementioned map, said point of intersection being the true point of beginning, thence;

S08°48'E, 150 feet to the Centerline of aforementioned 70th Street, thence along said Centerline;
S81°12'W, 250 feet, thence;
N08°48'W, 150 feet to the Centerline of aforementioned 69th Street, thence along said Centerline;
N81°12'E, 250 feet to the true point of beginning.

EXHIBIT "E"

(MAINTENANCE YARD, PARCEL 3)

Being a portion of Blocks 28A, 28B, 28C, 66th, 67th 68th & 69th Streets of Atascadero Beach Subdivision in the City of Morro Bay as shown on Map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as follows:

Beginning at the intersection of the southerly line of Atascadero Rd (formerly the Centerline of 66th Street) and the westerly line of Lot 19 of Block 28A of the previously described subdivision, said point of intersection being the true point of beginning, thence along said westerly line of Lot 19 & Lot 28;

S08°48'E, 120 feet, thence;
S81°12'W, 210 feet, thence;
S08°48'E, 340 feet to the Centerline of 69th Street, thence along said Centerline;
S81°12'W, 78.00 feet, thence;
N08°48'W, 180.00 feet, thence;
S81°12'W, 25.00 feet, thence;
N08°48'W, 280.00 feet, to the southerly line of Atascadero Rd, thence along said southerly line;
N81°12'E, 313.00 feet, to the true point of beginning;

reserving therefrom a non-exclusive easement for road purposes, pipeline, utility, and any uses appurtenant to the operation and maintenance of the wastewater treatment plant, including incidental rights of access, and entry for repair, maintenance, or reconstruction. Said easement being 50' in width and more particularly described as:

Being a portion of Block 28C of Atascadero Beach Subdivision as recorded in Map filed with the County Recorder of the County of San Luis Obispo and filed in 2M15 and more particularly described as:

Beginning at the intersection of the Centerline of "C" Street and the Centerline of 69th Street as shown on the aforementioned map; thence along said Centerline S81°12'W, 250.00 feet to the true point of beginning, thence; along said Centerline.

S81°12'W, 78.00 feet, thence;
N08°48'W, 50.00 feet, thence;
N81°12'E, 78.00 feet, thence;
S08°48'E, 50.00 feet, to the true point of beginning.

Said easement shall be for the benefit of and appurtenant to the real property described in Exhibits "B," "C," and "D." MORRO BAY grants to CAYUCOS said easement and agrees not to place any encroachments, other than temporary parking of vehicles or temporary storage of materials which will be moved by MORRO BAY within eight (8) hours of notice by CAYUCOS.

EXHIBIT "F"

E | F | H

REVISIONS
ZONE | REV | DESCRIPTION | DATE | APPD

IGN DATA

	4.5
	5.0
	12,700
	18,800
	47
	1.37
	2.04
MEDIA SURFACE	
	0.34
	0.38
	950
	11.1
	1420
	14.0
	560, 1560
	11.2, 14.3
BLE SPEED)	
	2
	2,300
	27.0
	1
	55
	2,376
	35,640
	15
D. FT./DAY	408
EFFLUENT QUALITY, MG/L	
	30
	30

CHLORINATION

CHLORINE CONTACT TANK (EXISTING)	
NUMBER OF PASSES	2
LENGTH, FEET	
PASS 1	55
PASS 2	75
WIDTH EACH PASS, FEET	15
AVERAGE DEPTH, FEET	7.5
TOTAL VOLUME, 1,000 CU. FT.	14.6
DETENTION TIME AT PDWF MIN.	24
CHLORINATORS	
PRE-CHLORINATOR	
NUMBER	1
INITIAL CAPACITY, LB/DAY	500
ULTIMATE CAPACITY, LB/DAY	2,000
POST-CHLORINATOR	
NUMBER	1
INITIAL CAPACITY, LB/DAY	500
ULTIMATE CAPACITY, LB/DAY	2,000
RAS CHLORINATOR	
NUMBER	1
CAPACITY, LB/DAY	200

DECLORINATION

SULFONATOR	
NUMBER	1
INITIAL CAPACITY, LB/DAY	475
ULTIMATE CAPACITY, LB/DAY	1,900
SULFER DIOXIDE EVAPORATOR	
NUMBER	1
CAPACITY, LB/DAY	2,000

TOTAL TREATMENT

OVERALL TREATMENT EFFICIENCIES, PERCENT	
BOD_5 REMOVAL	57
SS REMOVAL	75
EXPECTED EFFLUENT QUALITY, MG/L	
BOD_5	120
SS	70

SOLIDS STABILIZATION

ANAEROBIC DIGESTERS	
LOADING, 1,000 LB/DAY	
PRIMARY SOLIDS	3.58
SECONDARY SOLIDS	0.88
ASSUMED SLUDGE VOLATILE CONTENT, PERCENT	
PRIMARY SOLIDS	70
SECONDARY SOLIDS	82
SLUDGE VOLUME, 1,000 CU. FT./DAY	1.79
DIGESTERS	
DIGESTER 1 (EXISTING, FIXED COVER)	
DIAMETER, FT.	40
SIDE WATER DEPTH, FT.	16
VOLUME, 1,000 CU. FT.	22.2
DIGESTER 2 (EXISTING, FIXED COVER)	
DIAMETER, FT.	40
SIDE WATER DEPTH, FT.	19
VOLUME, 1,000 CU. FT.	25.6
DIGESTER 3 (NEW, FLOATING COVER)	
DIAMETER, FT.	35
SIDE WATER DEPTH, FT., AVERAGE	22.5
VOLUME, 1,000 CU. FT.	22.8
HYDRAULIC DETENTION TIME BASED ON NET VOLUME OF DIGESTERS 2 AND 3, DAYS	28
ASSUMED VOLATILE SOLIDS REDUCTION, PERCENT	55
EXPECTED SLUDGE GAS PRODUCTION, 1,000 CU.FT/DAY	28.4
SLUDGE DRYING BEDS	
NUMBER	12
LENGTH, EACH, FT.	152
WIDTH, EACH, FT.	32
LOADINGS, LB. OF SOLIDS/SQ.FT./YEAR	16

O BAY	IMPROVEMENTS TO MORRO BAY-CAYUCOS WWTP	DESIGN DATA	DRAWING NUMBER G3
			SHEET 3

PROJECT

WASTE LOADINGS

FLOW, MGD	
AVERAGE DRY WEATHER FLOW (ADWF)	2.06
PEAK SEASONAL DRY WEATHER FLOW (PSDWF)	2.36
PEAK DRY WEATHER FLOW (PDWF)	6.64
PEAK WET WEATHER FLOW (PWWF)	6.60
STRENGTH	
BIOCHEMICAL OXYGEN DEMAND (BOD_5), MG/L	280
SUSPENDED SOLIDS (SS), MG/L	280
GRIT, CU.FT./MG	10
WASTE QUANTITIES AT PSDWF	
BOD_5, 1,000 LB/DAY	5.51
SS, 1,000 LB/DAY	5.51
GRIT, CU.FT./DAY	23.6

PRELIMINARY TREATMENT

MECHANICALLY CLEANED BAR SCREEN	
NUMBER	1
CAPACITY, MGD	8.2
MANUALLY CLEANED BAR SCREEN	
NUMBER	1
CAPACITY, MGD	8.2
INFLUENT PUMPS (VARIABLE SPEED)	
NUMBER	3
CAPACITY, EACH, MGD	3.3
TOTAL HEAD, FEET	31.6
AERATED GRIT REMOVAL TANKS	
NUMBER	1
LENGTH, FEET	30
WIDTH, FEET	16
DEPTH, FEET	8
DETENTION TIME AT PWWF, MINUTES	6.3
GRIT PUMPS	
NUMBER	2
CAPACITY, EACH, GPM	250

PRIMARY TREATMENT

SEDIMENTATION TANKS (EXISTING)	
NUMBER	2
DIAMETER, FEET	
TANK 1	50
TANK 2	40
AVERAGE SIDE WATER DEPTH, FEET	
TANK 1	9
TANK 2	9
SURFACE LOADING RATE AT PSDWF, GAL./SQ.FT./DAY	730
DETENTION TIME AT PSDWF, HOURS	2.2
ASSUMED REMOVAL EFFICIENCY, PERCENT	
BOD_5	35
SS	65
PRIMARY EFFLUENT QUALITY MG/L	
BOD_5	182
SS	98

SECONDARY TREATMENT

BIOFILTERS (EXISTING, IN PARTIAL SECONDARY TREATMENT MODE OF OPERATION)	
FLOW DISTRIBUTION AT PSDWF, MGD	
BIOFILTER 1	0.39
BIOFILTER 2	0.58
DIAMETER, FEET	
BIOFILTER 1	60
BIOFILTER 2	70
NET MEDIA SURFACE AREA, SQ.FT.	
BIOFILTER 1	2,820
BIOFILTER 2	3,770

AVERAGE MEDIA HEIGHT, FEET
BIOFILTER 1
BIOFILTER 2

MEDIA VOLUME, CU.FT.
BIOFILTER 1
BIOFILTER 2

SPECIFIC ORGANIC LOADING RAT
LBS BOD_5/DAY/1,000 CU.FT.

CIRCULATED FLOW, MGD
BIOFILTER 1
BIOFILTER 2

HYDRAULIC LOADING RATE, GPM/
BIOFILTER 1
BIOFILTER 2

CIRCULATION PUMPS
BIOFILTER 1
CAPACITY, GPM
TOTAL HEAD, FEET

BIOFILTER 2
CAPACITY, GPM
TOTAL HEAD, FEET

STAND-BY (2 SPEED)
CAPACITY, GPM
TOTAL HEAD, FEET

INTERSTAGE PUMPING
BIOFILTER EFFLUENT PUMPS (V
NUMBER
CAPACITY, EACH, GPM
TOTAL HEAD, FEET

SECONDARY SEDIMENTATION TANKS
NUMBER
DIAMETER, FEET
TANK SURFACE AREA, SQ. FT.
TANK VOLUME, CU. FT.

AVERAGE WATER DEPTH, FEET

OVERFLOW RATE AT PSDWF EA

ASSUMED SECONDARY TREATM
BOD_5
SS

BROWN AND CALDWELL
CONSULTING ENGINEERS
EUGENE · PASADENA · SEATTLE
WALNUT CREEK

DESIGNED BAP
DRAWN BAP
CHECKED YH

SUBMITTED ____ DATE ____
APPROVED ____ DATE ____
APPROVED ____ DATE ____

FILE 515
DATE SEPT '81

CITY OF MOR

DOC. NO 18156
OFFICIAL RECORDS
SAN LUIS OBISPO CO., CAL
APR 2 8 1983
FRANCIS M. COONEY
County Clerk-Recorder
TIME 1:05 PM

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

MICHAEL T. LeSAGE
A PROFESSIONAL CORPORATION
P.O. Box 306
Paso Robles, CA 93446

MAIL TAX STATEMENTS TO:

City of Morro Bay
595 Harbor
Morro Bay, CA 93442

APN:

DOCUMENTARY TRANSFER TAX:
NONE-NO CONSIDERATION

Title:

GRANT DEED

The CITY OF MORRO BAY, a Municipal Corporation, hereby grants to CAYUCOS SANITARY DISTRICT, a Political Subdivision of the State of California, an undivided forty percent interest in and to all that property situated in the City of Morro Bay, County of San Luis Obispo, State of California, described as follows:

(LEGAL DESCRIPTION ATTACHED AS EXHIBIT A)

This deed is executed pursuant to agreement dated October 25, 1982.

DATED: 4/14/83

CITY OF MORRO BAY
A Municipal Corporation

BY: Eugene R. Shelton
EUGENE SHELTON, Mayor

BY: Paul Baxter
PAUL BAXTER, City Clerk

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On April 14, 1983, before me, a Notary Public in and for said County and State, personally appeared EUGENE SHELTON, known to me to be the Mayor and PAUL BAXTER, known to me to be the City Clerk of the Municipal Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf the Municipal Corporation named therein, and acknowledged to me that such Municipal Corporation executed the within instrument pursuant to a resolution of its City Council.

WITNESS my hand and official seal.

Victoria M. Richards

VICTORIA M. RICHARDS
(Name typed or printed)
Notary Public in and for
said County and State.

VICTORIA M. RICHARDS
NOTARY PUB
SAN LUIS OBISPO COUNTY
CALIFORNIA
My Commission Expires on April 6, 1984

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EXHIBIT A

(PARCEL 5A)

Being a portion of Block 28D, 69th Street & 70th Street of Atascadero Beach Subdivision in the City of Morro Bay as shown on Map filed for record in the County Recorders Office of the County of San Luis Obispo in Book 2 of Maps, Pg 15 and more particularly described as follows:

Beginning at the intersection of the Centerline of "C" Street and the Centerline of 69th Street, said point of intersection being the true point of beginning, thence;

N81°12'E, 407.00 feet, along said Centerline of 69th Street, thence;
S08°48'E, 150.00 feet to the intersection with the Centerline of 70th Street, thence;
S81°12'W, 407.00 feet along said Centerline of 70th Street, thence;
N08°48'W, 150.00 feet to the true point of beginning.

(PARCEL 5C)

Beginning at the intersection of the Centerline of 69th Street and the westerly line of lots 20 & 27 of Block 28D of aforementioned map, said point of intersection being the true point of beginning, thence;

S08°48'E, 150 feet to the Centerline of aforementioned 70th Street, thence along said Centerline;
S81°12'W, 250 feet, thence;
N08°48'W, 150 feet to the Centerline of aforementioned 69th Street, thence along said Centerline;
N81°12'E, 250 feet to the true point of beginning.

(SPEEDWAY PARCEL, PARCEL 1)

That portion of "The Speedway" in the City of Morro Bay, County of San Luis Obispo, State of California, as shown on map recorded July 21, 1917, in Book 2, Page 15 of Maps in the Office of the County Recorder of said County, bounded by the following described lines:

On the North by the westerly prolongation of the center line of 66th Street, as shown on said map;

On the East by the westerly line of "C" Street as shown on said map;

On the South by the westerly prolongation of the center line of 69th Street, as shown on said map; and

On the West by the ordinary high tide line of the Pacific Ocean.

EXHIBIT A

RESOLUTION NO. 83-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT ACCEPTING A GRANT DEED

WHEREAS, the City of Morro Bay has delivered to the Cayucos Sanitary District a Grant Deed executed by the City of Morro Bay conveying to the Cayucos Sanitary District an undivided forty percent (40%) interest in certain property at the Morro Bay/Cayucos wastewater treatment plant located in the City of Morro Bay; and

WHEREAS, such conveyance is pursuant to the terms of an Agreement between the City of Morro Bay and Cayucos Sanitary District dated October 25, 1982; and

WHEREAS, it is in the public interest that the said Grant Deed be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Grant Deed to said property, which Deed is annexed hereto, is hereby accepted and the Cayucos Sanitary District consents to recordation of said Grant Deed by its duly authorized officer.

On motion of Director Bergmueller, seconded by Director Borradori, and on the following roll call vote, to-wit:

AYES: Borradori, Bergmueller, Murray, Schubert

NOES: Minetti

ABSENT:

the foregoing Resolution was adopted this 11th day of April, 1983.

R. Terry Schubert
PRESIDENT

ATTEST:

Ethel L. Girard
SECRETARY

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END OF DOCUMENT

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AMENDMENT NO. 1

TO THE JOINT POWERS AGREEMENT FOR
THE OWNERSHIP, OPERATION AND MAINTENANCE OF
WASTEWATER TREATMENT FACILITIES

WHEREAS, Article 6, Operation, Repair, and Maintenance (Pg. 10) of the subject Joint Powers Agreement requires that the Board of Directors of the Cayucos Sanitary District and the City Council of the City of Morro Bay shall regularly schedule joint meetings of their respective bodies at least quarterly to discuss and decide policy direction for the operation, repair, and maintenance of the wastewater treatment plant and connected facilities, and;

WHEREAS, recent completion of the construction of the new ocean outfall and treatment plant expansion projects has led to a decrease in the amount of policy decisions and guidance required for the operation, repair, and maintenance of the treatment plant facility.

IT IS NOW THEREFORE AGREED that regularly scheduled joint meetings of the Cayucos Sanitary District and Morro Bay City Council shall be conducted at least semi-annually beginning in July, 1986. It is further agreed that this amendment does not effect the provision of the Joint Powers Agreement which allows either governing body to call a special meeting of the Joint Powers Committee for any reason on two days written notice.

IN WITNESS WHEREOF, the parties hereto have entered into this amendment on this 15th day of January, 1986.

CITY OF MORRO BAY

By: _____
BUD ZEUSCHNER, Mayor

ATTEST:

_____
GARY NAPPER, City Clerk

Approved as to form:

_____
City Attorney

CAYUCOS SANITARY DISTRICT

_____
JOHN BERGMUELLER, President

ATTEST:

_____
ETHEL GIRARD, Secretary

_____
Attorney for the District

ATTACHMENT 3
APPRAISAL REPORT

The Appraisal Report may be access on the District's website, at the following web address:

https://www.cayucossanitarydistrict.gov/files/e65fa3868/Attachment+3+-++2024+MB+Cayuc+WWTP+Property+Appraisal+-+Final.pdf

ATTACHMENT 4
PURCHASE AND SALES AGREEMENT

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of January __, 2026 (the "Effective Date"), by and between the Cayucos Sanitary District, a political subdivision of the State of California ("District" or "Seller"), and the City of Morro Bay, a California municipal corporation ("City" or "Buyer"). District and City are sometimes individually referred to as a "Party," and collectively referred to as the "Parties" herein.

RECITALS

A. District and City jointly own a wastewater treatment plant and related assets ("Treatment Plant"), including an ocean outfall, on-site equipment and common trunk line (collectively with the Treatment Plant, the "Assets"), as more specifically described below. The jointly owned real property associated with the Treatment Plant is generally located at 160 Atascadero Road, 180 Atascadero Road, and 1700 Embarcadero within the City, designated Assessor's Parcel Numbers ("APNs") 066-331-033 and 066-331-034 ("Real Property"), and more particularly described in the legal description attached hereto as Exhibit "A".

B. Pursuant to that certain Joint Powers Agreement for the Ownership, Operation and Maintenance of Wastewater Treatment Plant Facilities dated October 25, 1982 ("Joint Powers Agreement"), District currently owns a forty percent (40%) interest in the Real Property, as further described in the Joint Powers Agreement and that certain Appraisal Report authored by Central California Appraisals dated July 22, 2024 (fully incorporated herein by this reference). District also owns a forty percent (40%) interest in the jointly-owned sewer trunk main described as the 8" common trunkline beginning at manhole number 1.27 and ending as a 27" common trunkline at manhole 13.47 ("Trunk Main") and a thirty-five percent (35%) interest in both the ocean outfall described as beginning at Latitude 35°, 22', 47" N and Longitude 120°, 51', 40" W and terminating at Latitude 35°, 23', 11" N and Longitude 120°, 52', 29" W ("Outfall") and on-site Treatment Plant equipment ("Treatment Plant Equipment"), as described in Section 5 of the Joint Powers Agreement. The Joint Powers Agreement is attached hereto as Exhibit "D", and the Appraisal Report is attached hereto as Exhibit "E".

C. City desires to purchase District's interest in the Real Property and Assets (collectively, the "Property"), and District desires to sell the Property to City.

D. City and District also desire to terminate the Joint Powers Agreement effective upon Closing of the sale of the Property, because the sole purpose of the Joint Powers Agreement is to govern the joint ownership, operation and maintenance of the Treatment Plant, and therefore following Closing, the Joint Powers Agreement will be obsolete.

E. District constructed and is the sole owner of the 18" Cayucos Sanitary District Interceptor which parallels the Trunk Main ("CSD Interceptor"). The CSD Interceptor is specifically excluded from this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, District and City agree as follows:

1. Recitals Incorporated. The foregoing Recitals are true and correct and are incorporated herein by reference, as if fully set forth herein.

2. Acquisition.

2.1 Purchase and Sale. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth. As stated in the Recitals, the Property comprises the following property and assets:

(a) Seller's entire (40%) interest in the Real Property;

(b) Seller's entire (40%) interest in the Trunk Main;

(c) Seller's entire (35%) interest in the Treatment Plant Equipment; and

(d) Seller's entire (35%) interest in the Outfall.

2.2 Purchase Price. The purchase price of the Property is Three Million Eight Hundred Sixty-Seven Thousand Eight Hundred Dollars (**$3,867,800.00**) (the "Purchase Price").

3. Escrow.

3.1 Opening of Escrow. Within three (3) days of the Effective Date, Buyer shall open escrow with First American Title Company, Attention Renee Brian, 601 Morro Bay Boulevard, Suite A, Morro Bay CA 93442, RBrian@firstam.com ("Title Company" or "Escrow Holder") by delivering a signed copy of this Agreement to the Title Company ("Escrow"). The Escrow shall be deemed opened on the date the Title Company has received an executed counterpart of this Agreement from both Buyer and Seller ("Opening of Escrow").

3.2 Close of Escrow. The "Close of Escrow" or "Closing Date" means the date on which the grant deed conveying title to the Property to Buyer is recorded in the Official Records of San Luis Obispo County, California. The Close of Escrow shall occur on the date designated by Buyer at least ten (10) days in advance, but in no event later than ninety (90) days after the Effective Date. On or prior to the Close of Escrow, Buyer shall (i) deliver to Title Company for recording, the Grand Deed in the form attached hereto as Exhibit "B" ("Grant Deed"), duly executed by Buyer, acknowledged and in recordable form, and (ii) deliver the Purchase Price to Title Company in accordance with Section 2.2 above. Upon Seller's receipt of the Purchase Price from Title Company, Seller shall authorize Title Company to record the Grant Deed. If the Close of Escrow has not occurred within ninety (90) days after the Effective Date of this Agreement (unless either Party shall be in default of its obligations hereunder, in which case the non-defaulting Party shall be entitled to all remedies provided for herein), Escrow and the rights and obligations of the Parties hereunder shall terminate.

4. Conditions of Title.

4.1 Title Documents. Title Company shall deliver the following documents ("**Title Documents**") to Buyer within five (5) days after the Opening of Escrow: (a) a preliminary title report ("**Title Report**") dated on or after the Effective Date, issued by the Title Company with

respect to the Property; and (b) legible copies of all documents, whether recorded or unrecorded, referred to in the Title Report. After Buyer and Seller sign this Agreement, Seller will use reasonable efforts to remove any defects in title to the Property identified by the Title Company or Buyer. If any title defects have not been removed or satisfactory arrangements have not been made for their removal within fifteen (15) days after the Effective Date **("Title Cure Period")**, Buyer may elect to: (i) close the purchase of the Property and take title subject to the title defects that have not been removed; or (ii) terminate this Agreement, and the Escrow and the rights and obligations of the Parties hereunder shall terminate.

4.2 [RESERVED]

5. Condition of Property.

5.1 Purchase As-Is, Where Is. Unless otherwise expressly provided herein, Buyer expressly acknowledges and agrees, and represents and warrants to Seller, that Buyer, who already owns a portion of all the Property, is purchasing the Property "AS IS, WHERE IS", and "WITH ALL FAULTS." Buyer is purchasing the Property after such inspection, analysis, examination and investigation Buyer cares to make and expressly without Seller's covenant, warranty or representation as to physical condition, title, leases, rents, revenues, income, expenses, operation, entitlements, zoning or other regulation, compliance with law, suitability for particular purposes or any other matter whatsoever. Seller has no obligation to make repairs, replacements or improvements to the Property, or to pay any fees, costs or expenses related to the Property after title passes to Buyer. Buyer acknowledges and agrees that, neither Seller nor any of Seller's agents, contractors, consultants, attorneys or representatives have made, make and specifically negate and disclaim and Buyer is not relying on any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property, including, but not limited to, (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, including the possibilities for development of the Property; (d) the habitability, marketability, merchantability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including without limitation, soils and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including but not limited to, Title III of the Americans with Disabilities Act of 1990, California Health and Safety Code, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency regulations at 40 CFR part 261, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act and the Toxic Substance Control Act, as any of the foregoing may be amended from time to time and regulations promulgated under any of the foregoing from time to time; (i) the presence or absence of Hazardous Materials, as defined in Section 6.1(e)(1), at, on, under, or adjacent to the Property; (j) the content, completeness or accuracy of the Due Diligence Materials or the Preliminary Report; (k) the conformity of the Property to past, current or future applicable zoning or building requirements; (l) deficiency of any

drainage or undershoring; (m) that the Property may be located on or near earthquake faults; (n) the existence or non-existence of land use, zoning or building entitlements affecting the Property; (o) the land use status of the Property, including, but not limited to, general plan status, specific plan status, zoning status, subdivision status under the California Subdivision Map Act or the subdivision ordinances of the City or any other Entitlements; (p) the applicability of the Federal or California endangered species acts and the existence of any species protected thereunder; (q) any non-compliance of the Property or any improvements thereon with California Civil Code sections 895, et seq.; or (r) any other matter. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, particularly as already a part owner of the Property and in possession of the Property for decades, and having obtained and examined such information and documentation affecting the Property as Buyer has deemed necessary or appropriate, Buyer is relying solely on its own investigations and review, and not on any information provided or to be provided by Seller. As of the date of this Agreement, Buyer acknowledges that, as the party already in possession of the Property and the party that has constructed and maintained all Improvements thereon, (i) Buyer has conducted such surveys and inspections and (ii) Buyer has had adequate opportunity to make such inspection of the Property as Buyer has, in Buyer's discretion, deemed necessary or advisable as a condition precedent to Buyer's purchase of the Property and to determine the characteristics listed in this Paragraph and all other aspects of the Property.

5.2 No Obligation to Repair. Unless otherwise expressly provided herein, any reports, repairs or work related to the Property required by Buyer are the sole responsibility of Buyer, and Buyer agrees that there is no obligation on the part of Seller to make any changes, alterations or repairs to the Property or to cure any violations of law or to comply with the requirements of any insurer.

6. Conditions to Close of Escrow.

6.1 Buyer's Conditions. Buyer's obligation to purchase the Property is subject to the satisfaction of the following conditions for Buyer's benefit:

(a) Title. The Title Company shall be irrevocably committed to issue a title insurance policy, together with endorsements reasonably requested by Buyer (the "**Title Policy**"), in the amount of the Purchase Price showing title to the Property vested in Buyer, subject to exceptions approved by Buyer.

(b) Inspections. Buyer shall have approved the results of any inspections, investigations, tests and studies of the Property, including, without limitation, investigations with regard to the environmental condition of the Property, zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports.

(c) Seller's Obligations. Seller shall have timely performed all of the obligations required by this Agreement to be performed by Seller.

(d) Seller's Representations. All representations and warranties of Seller set forth in Section 8.1 or elsewhere in this Agreement shall be true and correct as of the Close of Escrow, as if made on such date.

(e) Limited Environmental Testing; Conditions. Buyer may, at its sole cost and expense, conduct limited environmental investigations of the Property solely to evaluate the potential presence of Hazardous Materials, subject to the following conditions:

(i) Definition. "Hazardous Materials" includes any hazardous or toxic material, substance, irritant, chemical or waste, which is (A) defined, classified, designated, listed or otherwise considered under any Environmental Law as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "biohazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (B) toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local, State or federal governmental authority, (C) asbestos and asbestos containing materials, (D) an oil, petroleum, petroleum based product or petroleum additive, derived substance or breakdown product, (E) urea formaldehyde foam insulation, (F) polychlorinated biphenyls (PCBs), (G) freon and other chlorofluorocarbons, (H) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (I) lead-based paint and (J) mold, rot, fungi and bacterial matter. Hazardous Materials also mean a chemical listed by the State of California as a chemical known by the State to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the California Health and Safety Code, as may be amended or a material which, due to its characteristics or interaction with one or more other substances, wastes, chemicals, compounds or mixtures, damages or threatens to damage health, safety, or the environment or is required by any law or public entity to be remediated, including remediation which such law or public agency requires in order for the Property to be put to any lawful purpose.

(ii) Initial Scope. Environmental testing shall be limited to an informal qualitative assessment and, if warranted, and subject to Seller's District Manager's concurrence as to location and depth, shallow soil and/or soil vapor testing conducted by hand auger, direct-push, or similar methods to depths above groundwater levels.

(iii) Groundwater or Saturated Soils. Testing of or below groundwater or saturated soils shall be subject to Seller's District Board's concurrence and conducted only if (A) such testing is reasonably implicated by likely future environmental assessment requirements for potential redevelopment scenarios of the Property, and (B) comparable data cannot reasonably be obtained from existing sources, including existing wells.

(iv) Meet and Confer; District Concurrence. Buyer shall meet and confer with Seller's District Manager prior to any environmental testing to obtain concurrence on the scope and methodology of all testing. For sampling limited to depths above groundwater, Seller's District Manager may grant concurrence in his discretion and shall use reasonable efforts to respond within three (3) business days of a written request delivered to the Seller's District's

Manager. Any proposed testing of or below groundwater or involving saturated soils shall require Seller's District Board approval, which shall be scheduled and acted upon within a reasonable period, anticipated to be approximately two (2) weeks following a written request.

(v) No Material Disturbance. All environmental testing shall be conducted in a manner that avoids material disturbance to improvements and in compliance with applicable law.

(vi) Results. Buyer shall provide Seller with copies of all environmental testing results within twenty-four (24) hours of receipt. All environmental testing shall be completed and the results shall be provided to Seller at least fourteen (14) days prior to the Close of Escrow.

(vii) Indemnification. Buyer shall indemnify and hold Seller harmless from and against all costs, expenses, claims, liability, and damages arising from or relating to any and all environmental testing activities.

(viii) District Discretionary Termination for Hazardous Materials

1. Termination Right. If any environmental testing conducted pursuant to this Section identifies the presence of Hazardous Materials, Seller in its sole discretion may terminate this Agreement by written notice to Buyer at any time prior to the Close of Escrow.

2. Effect of Termination. Upon termination under this Section 6.1, Escrow shall be cancelled and this Agreement shall have no further force or effect, except for provisions that by their terms survive termination. Buyer shall have no claim against Seller for damages, costs, or expenses arising from such termination.

3. Independent Right. Seller's termination right under this Section is independent of, and in addition to, any other rights or remedies available to Seller under this Agreement or at law.

(ix) No Admission; No Duty to Remediate. The performance of environmental testing, the delivery of testing results, or any concurrence by Seller under this Agreement shall not constitute an admission of liability, responsibility, or fault by Seller, nor shall it create any obligation on the part of Seller to investigate, remediate, monitor, or disclose any environmental condition of the Property, except as expressly required by applicable law.

6.2 Seller's Conditions. Seller's obligation to sell the Property is subject to the satisfaction of the following conditions for Seller's benefit:

(a) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by this Agreement to be performed by Buyer.

(b) Buyer's Representations. All representations and warranties of Buyer set forth in Section 8.2 of this Agreement shall be true and correct as of the Close of Escrow, as if made on such date.

(c) Certificate of Acceptance. Buyer shall have delivered to Seller or to Title Company a duly executed certificate of acceptance, in the form attached hereto as Exhibit "C" ("Certificate of Acceptance"), to be appended to the Grant Deed.

6.3 Termination of Agreement.

(a) Failure of Buyer's Conditions. If any one or more of the conditions to Buyer's obligations as set forth in Section 6.1 or elsewhere in this Agreement, is not either fully satisfied or waived in writing on or before the Closing Date, then Buyer may elect, by written notice to Seller, to terminate this Agreement, in which case this Agreement, the Escrow and the rights and obligations of the Parties hereunder shall terminate, except such rights and obligations which, by their terms, are to survive termination. Nothing in this paragraph shall be deemed to limit any of Buyer's rights or remedies at law or in equity in the event of a default by Seller.

(b) Failure of Seller's Conditions. If any one or more of the conditions to Seller's obligations as set forth in Section 6.2 or elsewhere in this Agreement, is not either fully satisfied or waived in writing on or before the Closing Date, then Seller may elect, by written notice to Buyer, to terminate this Agreement, in which case this Agreement, the Escrow and the rights and obligations of the Parties hereunder shall terminate, except such rights and obligations which, by their terms, are to survive termination. Nothing in this paragraph shall be deemed to limit Seller's rights in the event of a default by Buyer.

(c) Independent Consideration. If this Agreement shall terminate for any reason, Buyer shall pay Seller the sum of ($1.00), which shall be deposited into Escrow upon the Opening of Escrow, as independent consideration for Seller's executing delivery and performance of this Agreement, the sufficiency of which is acknowledged by Seller.

7. Close of Escrow.

7.1 Deposits by Seller. At least five (5) business days prior to the scheduled Closing Date, Seller shall deposit with the Title Company the following documents:

(a) Grant Deed. The Grant Deed, duly executed by Seller, acknowledged and in recordable form.

(b) Title Documents. To the extent applicable, an executed owner's affidavit in the customary form of the Title Company, organizational and authority documents requested by the Title Company, and such other documents as may be requested by the Title Company in order to issue the Title Policy, subject to any approved exceptions.

(c) Escrow Instructions. Executed escrow instructions consistent with the provisions of this Agreement.

(d) Seller's Affidavits. Executed affidavits certifying that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, and California Revenue and Taxation Code Section 18662(e) ("**Affidavits**"). If Seller shall fail to submit the Affidavits, the Title Company shall deduct from amounts due to Seller any amounts required to be withheld under federal or state law and shall report and remit any such amounts so withheld to the Internal Revenue Service or the California Franchise Tax Board with such forms and at such times as shall be required by applicable statute or regulation.

7.2 Deposits by Buyer. Buyer shall deposit with the Title Company the following funds and documents:

(a) Funds. The Purchase Price for the Property as listed in Section 2.2 of this Agreement, and Seller's share of the revenue from the Leases as described in Section 7.5.

(b) Escrow Instructions. At least ten (10) days prior to Closing, escrow instructions consistent with the provisions of this Agreement.

7.3 Costs and Expenses. Seller and Buyer shall each pay one-half the cost of the CLTA Title Policy, the documentary transfer taxes, escrow fees, recording fees, delivery costs, and all miscellaneous charges and other closing costs, except as specifically set forth in this Agreement. If Buyer desires an ALTA Title Policy, any additional costs related thereto shall be borne solely by Buyer.

7.4 Disbursements and Other Actions by the Title Company. After all of the conditions precedent set forth in Sections 6.1 and 6.2 have been satisfied or waived, and all deposits have been made by Seller and Buyer in accordance with Sections 7.1 and 7.2, respectively, the Parties shall instruct the Title Company to perform all of the following in the manner indicated:

(a) Recording. Cause the Grant Deed and any other documents that the Parties hereto may mutually direct to be recorded in the Official Records of San Luis Obispo County, California.

(b) Funds. Disburse the Purchase Price to Seller. Distribute any remaining funds in Escrow to Buyer.

(c) Title Policy. Issue the Title Policy to Buyer.

(d) Transfer Documents. Immediately send all original forms and documents delivered to Escrow under Section 7.1(d) above to Buyer, or as directed by Buyer.

7.5 Possession and Existing Leases. Buyer is already in possession of the Property pursuant to the Joint Powers Agreement. Buyer acknowledges that a portion of the Property is currently leased by the Parties to three commercial tenants pursuant to the lease agreements (the "Leases") described in Exhibit "F" attached hereto and incorporated by reference herein. Buyer agrees that rent from the Leases shall be prorated through the Close of Escrow, and upon the Close of Escrow, these Leases shall remain in full force and effect, and Buyer, as the sole lessor, shall assume all of Seller's rights and obligations under the existing Leases. Notwithstanding the foregoing, Seller shall deliver vacant possession of the unleased portions of

the Property to Buyer upon the Close of Escrow, free of any person having any right to occupy or use said unleased portions of the Property, other than Buyer and Buyer's contractors and other licensees.

8. Representations and Warranties.

8.1 Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer, each of which is material and is being relied upon by Buyer:

(a) Other Agreements; Third Party Consents. The execution and delivery of this Agreement and the sale of the Property to Buyer will not conflict with or constitute a default under any agreement binding upon Seller. To Seller's actual knowledge, no default presently exists under any agreement affecting the Property, and no event has occurred that, with notice or lapse of time or both, that would constitute any such default. No consents or waivers by any third party are necessary to permit the sale of the Property to Buyer.

(b) Litigation. There are no lawsuits or proceedings pending with third parties that do or would affect the Property or Seller's ability to fulfill all of its obligations under this Agreement, and Seller has no knowledge of any such threatened lawsuits or proceedings. There are no outstanding claims on Seller's insurance policies relating to the Property.

(c) Bankruptcy. Seller has not filed or been the subject of any filing of a petition under any federal or state bankruptcy or insolvency law.

(d) Signatories. The persons executing this Agreement, the instruments referenced herein, and any other documents executed and delivered on behalf of Seller have the full right, power and authority to do so and have been duly authorized to do so by Seller, and no other persons are required to execute this Agreement on behalf of Seller.

(e) Compliance with Law. To Seller's actual knowledge, all laws, ordinances, rules, and requirements and regulations of every governmental agency, body, or subdivision thereof bearing on the Property have been complied with by Sellers.

(f) Documents. To Seller's actual knowledge, all documents delivered to Buyer pursuant to this Agreement are true and complete copies of originals, without any representation or warranty as to the contents or accuracy thereof.

8.2 Buyer's Representations and Warranties. Buyer makes the following representations and warranties to Seller, each of which is material and is being relied upon by Seller:

(a) Authority. Buyer has the legal right, power, and authority to enter into this Agreement and to purchase the Property from Seller. This Agreement has been duly and validly authorized, executed, and delivered by Buyer, and each of the persons signing this Agreement on behalf of Buyer is authorized to do so. All the documents executed by Buyer will be duly authorized, executed, and delivered by Buyer.

(b) Other Agreements; Third Party Consents. The execution and delivery of this Agreement and the purchase of the Property from Seller will not conflict with or constitute a default under any agreement binding upon Buyer. To Buyer's actual knowledge, no default presently exists under any agreement affecting the Property, and no event has occurred that, with notice or lapse of time or both, that would constitute any such default. No consents or waivers of any third party are necessary to permit the purchase of the Property from Seller.

(c) Signatories. The persons executing this Agreement, the instruments referenced herein, and any other documents executed and delivered on behalf of Buyer have the full right, power and authority to do so and have been duly authorized to do so by Buyer, and no other persons are required to execute this Agreement on behalf of Buyer.

(d) Documents. To Buyer's actual knowledge, all documents delivered to Seller pursuant to this Agreement are true and complete copies of originals, without any representation or warranty as to the contents or accuracy thereof.

(e) Inspection. Buyer has been given a sufficient opportunity to inspect the Property and has obtained and examined such information and documentation affecting the Property as Buyer has deemed necessary or appropriate.

9. Covenants of Seller. Seller hereby covenants and agrees with Buyer as follows:

9.1 Change in Representations. Seller shall promptly notify Buyer of the occurrence of any fact, circumstance, condition, or event that would cause any of the representations made by Seller in this Agreement no longer to be true or accurate.

9.2 Future Action. From and after the date hereof, without the prior written consent of Buyer, Seller shall not take any action prior to the Close of Escrow that may result in a change in the condition of title to the Property approved by Buyer.

10. Decommission and Demolition of Property. After Close of Escrow, Buyer is solely responsible for any decommission and demolition of the Treatment Plant and all other structures located on the Real Property. Seller shall have no further rights, obligations, or duties with respect to the Treatment Plant or the Assets following Closing.

11. Termination of Joint Powers Agreement. The Parties agree that the Joint Powers Agreement, a true and correct copy of which is attached hereto as Exhibit "D" and incorporated herein by this reference, shall terminate concurrently with the Close of Escrow, at which time it shall have no further force and effect, and the Parties shall have no rights, obligations, or duties thereunder.

12. Buyer's General Indemnification. Buyer agrees to and does hereby indemnify, defend, and hold harmless Seller from and against any and all claims made or any loss incurred (including reasonable attorney fees) caused by Buyer's ownership, use or occupancy of the property from and after the Close of Escrow. This indemnification provision is a surviving obligation.

13. Mediation of Disputes. Buyer and Seller agree to mediate any dispute between them arising out of this Agreement prior to any court action or arbitration. Mediation is a non-binding process in which the Parties meet with a neutral mediator (selected by the Parties) who will try to work out a mutually acceptable resolution. If the Parties cannot agree on a mediator, the Superior Court shall appoint one. The mediator may conduct more than one session and mediation fees shall be paid jointly by the Parties.

14. Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be either personally delivered or transmitted by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx, with a copy by email, addressed to the Parties as follows:

If to Seller:	Cayucos Sanitary District Attn: David Athey, District Manager 200 Ash Avenue Cayucos, CA 93430 Email: D.Athey@cayucossanitarydistrict.gov
With a copy to:	Timothy J. Carmel Carmel & Naccasha LLP 694 Santa Rosa Street San Luis Obispo, CA 93401 Email: tcarmel@carnaclaw.com
If to Buyer:	City of Morro Bay Attn: 595 Harbor Street Morro Bay, CA 93442 Email:
With a copy to:	City of Morro Bay Attn: Brian Stack, City Attorney 595 Harbor Street Morro Bay, CA 93442 Email: bstack@morrobayca.gov

15. Miscellaneous.

15.1 Survival. The representations and warranties of Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow, together with any agreements or obligations that, by their terms or nature, are to be performed after termination of this Agreement or Close of Escrow.

15.2 Required Actions of Buyer and Seller. Buyer and Seller agree to execute such documents and to diligently undertake such actions as may be required in order to complete the purchase contemplated in this Agreement.

15.3 Time. Time is of the essence with respect to each and every term, condition, obligation and provision of this Agreement, and the failure to timely perform any of the terms, conditions, obligations or provisions herein by either Party shall constitute a breach of and a default under this Agreement by the Party so failing to perform.

15.4 Counterparts; Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Copies of signatures on documents transmitted by email (in pdf format) or electronically (by DocuSign or similar protocol) shall be binding on the Parties to the same extent as "ink original" signatures. It is understood and agreed that certain closing documents may not be delivered by email or electronically.

15.5 Captions. Any captions or headings in this Agreement are solely for the convenience of the Parties, and shall not be used for the interpretation of this Agreement.

15.6 No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon any person or entity other than Buyer and Seller.

15.7 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

15.8 Applicable Law. This Agreement shall be governed by and construed in accordance with California law.

15.9 Fees and Other Expenses. Except as otherwise provided herein, each of the Parties shall pay its own fees and expenses in connection with this Agreement.

15.10 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns.

15.11 Legal Fees. If either Party brings a lawsuit arising out of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party all costs of suit, including reasonable attorneys' fees. The prevailing Party shall also be entitled to its attorneys' fees and costs incurred in any post-judgment proceedings to collect and enforce the judgment.

15.12 Construction. The language of this Agreement shall be construed as a whole and in accordance with its fair meaning and not strictly for or against either Party.

15.13 Business Days. If the scheduled Closing Date, or the date on which a Party is required to perform an obligation, or the date on which any required notice is to be received, is a Saturday, Sunday or a legal holiday, that date shall be extended to the next regular business day.

15.14 Severability. If any provision of this Agreement shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order

to achieve the intent of the Parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent.

15.15 Exhibits and Schedules. The following Exhibits are attached hereto and incorporated by reference into this Agreement:

Exhibit "A"	Legal Description of Property
Exhibit "B"	Form of Grant Deed
Exhibit "C"	Certificate of Acceptance
Exhibit "D"	Joint Powers Agreement
Exhibit "E"	Appraisal Report
Exhibit "F"	Current Leases of the Property

15.16 No Offer. The submission of this Agreement to Buyer for examination or execution does not create an option or constitute an offer to Buyer to purchase the Property on the terms contained herein, and this Agreement shall not become effective as a purchase and sale agreement or otherwise unless and until it has been executed and delivered by both Seller and Buyer.

15.17 Entire Agreement. This Agreement and the Exhibits attached hereto supersede any prior agreements, negotiations and communications, oral or written, and contain the entire agreement between Buyer and Seller regarding the subject matter hereof. The terms of this Agreement may not be amended, except by a writing executed by both Buyer and Seller.

[***Signatures on Following Page***]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the day and year first above written.

SELLER:

CAYUCOS SANITARY DISTRICT,
a political subdivision of the State of California

By: _____

Print Name: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

_____
Timothy J. Carmel
General Counsel

BUYER:

CITY OF MORRO BAY,
a California municipal corporation

By: _____

Print Name: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

_____
Brian Stack
City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

RECORDING REQUESTED BY,)
MAIL TAX STATEMENT TO)
AND WHEN RECORDED MAIL TO:)
)
City of Morro Bay)
595 Harbor Street)
Morro Bay, CA 93442)
ATTN: City Clerk)

This document is exempt from payment of a recording fee pursuant to Government Code Section 27383.

GRANT DEED

APNs: 066-331-033 and 066-331-034

For valuable consideration, receipt of which is hereby acknowledged, CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California ("Seller"), hereby grants to, the CITY OF MORRO BAY, a general law city and municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), Seller's entire ownership interest in the real property and assets hereinafter referred to as the "Property," described in: (i) Exhibit A attached hereto and incorporated herein, and (ii) Recital A and Recital B of the Purchase and Sale Agreement entered into between the City and Seller dated November __, 2025 ("Agreement").

The Property is conveyed in accordance with and subject to the Agreement, a copy of which is on file with each Party as a public record and which is incorporated herein by reference.

[***Signatures on Following Page***]

SELLER:

CAYUCOS SANITARY DISTRICT,
a political subdivision of the State of California

By: _____

Print Name: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

_____
Timothy J. Carmel
General Counsel

BUYER:

CITY OF MORRO BAY,
a California municipal corporation

By: _____

Print Name: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

_____
Timothy J. Carmel
General Counsel

EXHIBIT "C"

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in _____ conveyed by the Grant Deed dated _____, from CAYUCOS SANITARY DISTRICT, a political subdivision of the State of California, to the CITY OF MORRO BAY, a California municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Morro Bay pursuant to authority conferred by the City Council through _____ adopted on _____, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF MORRO BAY,
a California municipal corporation

Dated: _____

By: _____
[Name],
[Title]

APPROVED AS TO FORM:

By: _____
City Attorney

EXHIBIT "D"

JOINT POWERS AGREEMENT

EXHIBIT "E"

APPRAISAL REPORT

EXHIBIT "F"

DESCRIPTION OF JOINTLY HELD LEASES

City of Morro Bay Corporation Yard Lease Agreement Dated May 19, 2005
Morro Dunes Trailer Park & Campgrounds, Inc. Commercial Lease Dated September 1, 2008
IWMA Household Hazardous Waste Second Agreement Effective April 5, 2020