

AMENDMENT NO. 2
TO AGREEMENT FOR THE ACCEPTANCE OF EFFLUENT

THIS AMENDMENT NO. 2 ("Amendment") is made as of _____, 2026, by and between Lake County Sanitation District, Northwest WWTP ("LACOSAN"), and Clearlake Oaks County Water District ("District").

RECITALS

Whereas LACOSAN and District entered into that certain "Agreement for the Acceptance of Effluent" dated July 21, 1998 (the "Original Agreement"), which was subsequently amended by Amendment No. 1 to extend the term through July 21, 2025; and

Whereas the Original Agreement governs the transport of Effluent from the District's Wastewater Treatment Facility to the Southeast Reservoir for inclusion in the Geysers Pipeline disposal; and

Whereas LACOSAN utilizes the pipeline segment extending from the District's Wastewater Treatment Facility to the Southeast Reservoir (the "Shared Pipeline") to transport LACOSAN effluent; and

Whereas the Parties desire to extend the term of the Agreement and modify the terms regarding Operations, Maintenance, and Cost-Sharing to equitably reflect LACOSAN's active utilization of the Shared Pipeline.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions, the Parties agree as follows:

1. AMENDMENT OF SECTION 3, TERM

Section 3.1 of the Original Agreement is hereby amended to extend the term. The Agreement shall remain in full force and effect for a period of twenty-five (25) years from the effective date of this Amendment, or until either of the following occurs:

1. the termination of LACOSAN's agreement with the Geysers Pipeline owners;
2. the termination under Sections 8 or 9 of the Original Agreement.

Section 3.2 is hereby amended to read as follows:

"3.2 Decommissioning Costs

Upon final termination of the Agreement, if removal or decommissioning of the Project Pipeline, Pumping Station, and/or other ancillary facilities is required

by any court or governmental agency with regulatory or other authority to so order, or as agreed by the Parties, the Parties shall split removal and decommissioning costs equally.”

2. AMENDMENT OF SECTION 4, OPERATIONS AND MAINTENANCE

Section 4 of the Original Agreement ("OPERATION AND MAINTENANCE") is hereby deleted in its entirety and replaced with the following:

“4. OPERATION AND MAINTENANCE

4.1 Routine Inspections and Minor Repairs

The District shall continue to perform all required monthly inspections of the Shared Pipeline (approximately 3.5 miles) between the District’s Wastewater Treatment Plant and the Southeast Regional Treatment Facility. The District will also perform minor repairs as needed to maintain normal operation of the pipeline.

4.2 Major Repairs

For the purposes of this Agreement, a “major repair” is defined as any repair exceeding \$10,000 in cost, or other mutually agreed-upon threshold. All major repairs shall be funded on a 50/50 cost-sharing basis between the District and LACOSAN. The District will notify LACOSAN when a major repair is identified and provide reasonable documentation supporting the repair need and estimated costs.

4.3 Coordination and Quarterly Meetings

The District and LACOSAN shall hold quarterly operational meetings at the District’s Wastewater Treatment Plant to maintain familiarity with the pipeline system, review inspection results, and coordinate upcoming work.

LACOSAN personnel shall assist District staff in performing in-house major repairs when the District determines such assistance is appropriate. The District will provide one week’s notice for planned work requiring LACOSAN assistance. Emergency situations are exempt from the advance-notice requirement.

4.4 Corrosion Testing and Evaluation

When LACOSAN conducts corrosion testing of its system, such testing shall include the entire Shared Pipeline between the District’s facilities and the

Southeast Reservoir. The District shall pay 50% of the cost of corrosion testing performed on this specific segment.

3. AMENDMENT OF SECTION 5, O&M EXPENSES

Section 5.2 of the Original Agreement ("OPERATION & MAINTENANCE EXPENSES") is hereby amended as follows:

"5.2 Pipeline Compensation

The District shall not receive any compensation from LACOSAN or the Geysers Pipeline participants for the District's Effluent. LACOSAN shall not receive any compensation from the District for the operation or maintenance of the Shared Pipeline between the District's Wastewater Treatment Plant and the Southeast Reservoir."

4. Exhibit A is hereby removed from the Agreement.

5. AMENDMENT OF SECTION 6, DELIVERY AND ACCEPTANCE

Section 6 is amended to add section 6.9 related to Supervisory Control and Data Acquisition (SCADA) monitoring, as follows:

"6.9 SCADA Monitoring for Shared Pipeline Operations. Each Party owns, operates, and maintains its own SCADA system. For the limited purpose of coordinating operation, maintenance, and emergency response related to the shared Pipeline, each Party shall, if and when available, provide the other Party with read-only SCADA viewing access to designated screens, data points, alarms, and historical trends directly associated with sludge pumping and conveyance within the shared pipeline. SCADA access granted under this Agreement shall be strictly passive and informational in nature. Under no circumstances shall either Party have the ability to start, stop, adjust, override, bypass, or otherwise control the other Party's pumps, valves, instrumentation, control logic, or treatment processes.

Each Party shall be responsible for its own costs associated with configuring, maintaining, and securing access to the other Party's SCADA, unless otherwise expressly agreed in writing.

The provision of SCADA viewing access does not create a duty to monitor, operate, maintain, or supervise the other Party's wastewater facilities, nor does it expand or modify any existing legal, regulatory, or common-law duties or liabilities of either Party."

6. AMENDMENT OF SECTION 7, OPERATING EMERGENCIES

Section 7 of the Original Agreement ("OPERATING EMERGENCIES") is hereby amended to add subsection 7.4 as follows:

"7.4 Emergency Costs Allocation

(a) As used in this Agreement, "emergency" means the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, an earthquake, or other conditions, which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment and facilities of any municipal entity and may require the combined forces of a mutual aid region or regions to combat.

(b) Notwithstanding anything to the contrary in this Agreement, in the event of an emergency that threatens the integrity of the pipeline, public health, or environmental compliance, LACOSAN and the District shall immediately cooperate to mitigate impacts, restore service, and prevent recurrence. Both parties shall provide personnel, equipment, and support as available and appropriate. Cost responsibilities for emergency response shall be reasonably determined based on the origin and nature of the incident, unless otherwise agreed in writing."

7. AMENDMENT OF SECTION 12, PARTICIPATION OF LACOSAN

Section 12 of the Original Agreement ("PARTICIPATION OF LACOSAN") is hereby deleted and replaced with the following to reflect current operational status:

"12. JOINT USE AND PARTICIPATION

The Parties acknowledge that LACOSAN currently utilizes the Shared Pipeline to transport effluent. The respective responsibilities for the Shared Pipeline are outlined in this Agreement."

8. GENERAL PROVISIONS

All other terms and conditions of the Original Agreement and Amendment No. 1 not in conflict with this Amendment No. 2 shall remain in full force and effect. To the extent the Original Agreement or Amendment No. 1 conflicts with this Amendment No. 2, this Amendment No. 2 governs

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of the day and year first above written.

LAKE COUNTY SANITATION DISTRICT

CLEARLAKE OAKS COUNTY WATER DISTRICT

By _____
Robin Borre
Special Districts Administrator

By _____
Dianna Mann
General Manager

LAKE COUNTY SANITATION DISTRICT

CLEARLAKE OAKS COUNTY WATER DISTRICT

Chair
Board of Directors
Date: _____

By _____
Dianna Mann
General Manager
Date: _____

ATTEST:
SUSAN PARKER
Clerk to the Board of Supervisors

By: _____

Date: _____

APPROVED AS TO FORM:
LLOYD GUINTIVANO
County Counsel

By: _____

Date: July 2, 2026