

**MEMORANDUM OF UNDERSTANDING BETWEEN
CENTRAL CONTRA COSTA SANITARY DISTRICT and MT. VIEW SANITARY
DISTRICT FOR A FEASIBILITY EVALUATION OF A POTENTIAL MERGER**

This Memorandum of Understanding (MOU) is made and entered into this 5th day of October, 2023 by and between Central Contra Costa Sanitary District (Central San) and Mt. View Sanitary District (MVSD) for the purposes described herein. Each agency hereinafter may be referred to individually as "Party" or collectively as "Parties."

Recitals

WHEREAS, Central San and MVSD are sanitary districts duly organized and existing under and by virtue of the laws of the State of California; and

WHEREAS, the Local Agency Formation Commission (LAFCO) of Contra Costa County is conducting a municipal services review, a draft of which recommends that a study ("Merger Feasibility Evaluation" or "Study") be conducted to investigate the issues related to a potential merger of MVSD and Central San;

WHEREAS, the Study will investigate all benefits, costs, issues, and barriers related to a potential merger of the agencies;

WHEREAS, in order to expedite the preparation of such a study Central San and MVSD desire to begin the preparations for the retention of one or more consultants to perform the Study; and

WHEREAS, the initiation and development of the Study will require the cooperation and significant involvement of the staffs of each agency; and

WHEREAS, in order to ensure the cooperation and overall success of this effort, the parties wish to develop guiding principles to steer this effort and to memorialize such in a Memorandum of Understanding (MOU); and

WHEREAS, the guiding principles as specified in the MOU will address the selection, work with, and funding of consultants to conduct the Study; and

WHEREAS, the contents of this MOU have been developed by staff of the two agencies to reflect the anticipated requirements of effective collaborative work together and with the selected consultants in their completion of the Study;

WHEREAS, this MOU has been presented to the Board of Directors of each agency for approval and each Board of Directors has authorized the execution of the MOU by an authorized representative(s) of each agency;

NOW, THEREFORE, the parties hereby enter into this Memorandum of Understanding, as follows:

1. TERM

This MOU shall become effective upon execution by both Parties. This MOU will terminate on December 31, 2027, unless extended through mutual written agreement by both Parties.

2. PURPOSE

The purpose of this MOU is to define the roles and responsibilities of each Party related to the selection and work with one or more consultants to be retained for the development of a Merger Feasibility Evaluation, including addressing issues such as those summarized below:

- a) Conduct a financial analysis for the Merger Feasibility Evaluation that outlines specific quantified benefits to each agency's customers.
- b) Identify cost related issues, including incremental expenditures needed, costs to be avoided, and any potential liabilities to be accounted for and addressed.
- c) Identify issues of concern to employees such as differences in labor agreements, compensation and benefit programs including Other Post Employment Benefits (OPEB).
- d) Address staffing related issues and integration plans to address them.
- e) Develop a reasonable timeline and potential schedule with milestones for the potential merger if the merger is determined to be feasible.
- f) Identify technical, operational and engineering issues necessary to be investigated and resolved before a merger.
- g) Identify and address other integration issues.
- h) Identify potential rate structures that account for necessary merger expenses, including but not limited to a single rate, consolidated rate, or alternative zonal rates.
- i) Identify solutions to environmental and regulatory issues including but not limited to additional treatment that will be required to get water to the regulatory required level for discharge to the MVSD wetland.
- j) Specify the costs to modify existing and/or build new infrastructure at and/or between MVSD's treatment plant and the Central San treatment plant.
- k) Such additional issues as the consultant(s) may identify in the course of the Study.

3. WORK TO BE PERFORMED

The Study will be completed through the retention of consultants. The effort of the consultant will be supported by in-kind services and cooperative input from the Parties. Within 60 days following the effective date of this MOU, the Parties will hold a kick-off meeting to begin work towards developing and jointly agree on a work plan to outline the specific tasks to be completed (Work Plan) and a schedule for execution of the Work Plan.

4. RESPONSIBILITIES OF THE PARTIES

Central San shall fund the Study.

The Work Plan shall address:

- a) Development of the scope of work for the Merger Feasibility Evaluation
- b) Outline the process for the solicitation and selection of the consultant(s).
- c) If additional work or follow-up evaluation issues are required, an additional Work Plan and its funding will be further addressed based on agreement with the Parties.

General responsibilities of both Parties are as follows:

- a) In preparation for working with Consultant(s):
 1. Work cooperatively, including committing staff time, to develop the scope of work, terms and conditions, and associated solicitation documents for consultants.
 2. Agree to a schedule for the retention of consultants, including a decision on whether a selection process could start in advance of the final municipal services review (MSR) report so that work could start expediently when that report is available.
 3. Jointly provide input on any solicitation documents such as request for proposals (RFP) or requests for information (RFI) that may be issued to solicit the interest of qualified consultants.
 4. Jointly agree on the Study scope and approach to be specified in the solicitation documents.
 - a. The solicitation document may specify the use of “task orders” to allow for selection of the consultant(s) prior to the availability of a final MSR report with specific requirements.
 - b. The work may be structured in phases to facilitate results that are cost-effective, timely, and sufficiently conclusive to inform decision making.
 5. Provide joint agreement on the selection of one or more consultants in the conduct of the Study.
- b) Working with Consultant(s)
 1. Agree on the final Study schedule, scope, key milestones and approach to be executed by the selected Consultant(s), and any task orders to be executed.
 2. Support equal sharing of information with both sides by the Consultant(s).
 3. Share information with the consultant and at the same time, the other sanitary agency, related to:
 - a. Relevant cost, organizational, administrative, engineering, permitting, regulatory, and operational information regarding its own organization and facilities for the benefit of the evaluation.

4. Provide access to facilities and operational data that may be needed for conducting the Study (such as conveyance/distribution facilities, treatment plants, etc.). If needed, reasonably commit staff time to conduct necessary analysis of its own facilities, permits, operational data, procedures or requirements, or any other data needed for consideration, and share the information with the other Party. Commitment of staff time and access to facilities will be consistent with the safe operations of each parties' facilities, and will follow the facility owner's security and standard safety and notification requirements.
5. Upon reasonable advance written notice, make available for inspection to the other Party all records, books, and other documents directly relating to the Study and information required for conducting the Study.
6. Provide appropriate level of oversight and review of any work products generated as part of the Study.
7. Coordinate and agree with the other Party on all media outreach, media responses, and messaging, prior to any media outreach.
8. Coordinate with the other Party on all Federal, State, or other funding efforts related to the development of the Study.
9. The Parties, and any consultants retained for the Study, shall maintain the confidentiality of, and will not disclose, display, provide, or make available, any documents shared which contain confidential facility or personnel data to any person other than the other Party, unless written permission is granted by the sharing Party. Confidential documents shall be returned to the sharing Party at the request of the sharing Party. Confidential data shall be identified as such at the time shared.
10. Each Party, upon being given notice, will send appropriate representatives to attend relevant board or public meetings of the other party related to the Study.

5. ADDITIONAL PROVISIONS

This MOU shall be amended only by a writing signed by both Parties and may be terminated by either Party at any time, with or without cause, upon provision of written notice to the other Party.

This MOU is not intended to benefit any party except the signatories hereto and shall not be deemed to give any right or remedy to any such party whether referred to herein or not.

This MOU does not create or constitute a joint powers agency or authority nor a partnership or joint venture between the Parties, nor does it render either Party the agent of the other Party. Neither Party shall become liable by any representation, act or omission of the other Party contrary to the provisions hereof.

The Parties repudiate the liability allocations described in Government Code sections 895.2 and 895.6 and agree pursuant to Government Code section 895.4 that each Party shall indemnify and hold harmless the other Party and its agents, officers, employees, and contractors from and against

any and all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising out of or resulting from any negligent or wrongful act or omission of the first Party in the performance of this Agreement. Each Party shall be entitled to receive indemnity or contribution from the other Party in proportion to such other Party's responsibility for any such claim, damage, loss, judgment, liability, expense or other cost, as determined under principles of comparative negligence.

This MOU may be executed using digital or electronic signatures and/or may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

6. NOTICES

Any notice, demand, or request made in connection with this MOU must be in writing and will be deemed properly served if delivered in person or sent by United States mail, postage prepaid, to the addresses specified below:

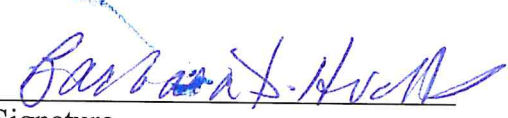
Central San: Roger S. Bailey
General Manager
Central Contra Costa Sanitary District
5019 Imhoff Place
Martinez, CA 94553

MVSD: Lilia Corona
General Manager
Mt. View Sanitary District
3800 Arthur Rd.
Martinez, CA 94553

Representative of the Mt. View Sanitary District:

 David President 10/25/23
Signature Title Date

Representative of the Central Contra Costa Sanitary District:

 Barbara President 10/5/2023
Signature Title Date