AGREEMENT BETWEEN THE CITY OF LAWRENCE, KANSAS AND BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, KANSAS

THIS AGREEMENT is I	made and entered into this
day of	, 2006, by and between the City of
Lawrence, Kansas (hereinafter referred to as the "City") and the	
Board of County Commi	ssioners of Douglas County, Kansas,
(hereinafter referred to	as the "County").

RECITALS

Whereas, the County and the City desire to cooperate in the installation of certain sanitary sewer facilities generally located in or near the City's southeast boundaries, all as more fully set forth in this agreement;

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties agree as follows:

Section 1. Recitals. The recitals are hereby incorporated by reference as if fully set forth herein.

Section 2. Purpose. The purpose of this Agreement is to provide the terms and conditions for the installation of County financed sanitary sewer improvements that shall be connected to the City's sanitary sewer system, for improvements located within the City and in certain unincorporated portions of Douglas County as more specifically described in Exhibit A.

Section 3. Definitions. As used in this Agreement, the term:

- a) "City" means the City of Lawrence, Kansas.
- b) "County" means Douglas County, Kansas.

- c) "City sewer system" means sewer facilities owned, maintained and operated by the City.
- d) "Exhibit A" means that map attached hereto, and such amendments to said map as may be agreed, in writing, by the City and the County from time to time.
- e) "Sewer facilities" means sanitary sewer trunk lines, lift stations, lateral sewers, and other related sanitary sewer facilities.

Section 4. City Authority. Nothing in this Agreement shall be interpreted as a limitation on the authority of the City to construct sewer facilities inside and outside the City boundaries as the City may solely determine. Nothing in this Agreement shall be interpreted as a limitation on the authority of the City to construct sewer facilities within the area described in Exhibit A, provided that the City shall coordinate with the County in this regard so that City constructed sewer facilities and County constructed sewer facilities are not unnecessarily duplicative.

Section 5. City Approval Required to Construct Certain
Sewers and Connect to City Sewer System. In recognition of
the City's need to manage the City sewer facilities and the City's
wastewater treatment responsibilities, the County shall not construct
sewer facilities in the area described in Exhibit A without the written
permission of the City. The County shall not connect sewer facilities
to the City sewer system, whether in the area described in Exhibit A
or elsewhere in Douglas County, without the express written
permission of the City.

Section 6. All Sanitary Sewer Facility Construction to City Requirements. All sewer facilities, including connections to properties, residences and structures, constructed in the area set forth in Exhibit A, shall be constructed and installed in accordance with design, sizes, materials, plans and specifications that have been approved in writing by the City. For any County benefit district for sanitary sewer improvements established in the area described in Exhibit A, the County shall be responsible for all costs associated with the preparation of plans and specifications, including such

supplemental plans and information as the City may require. The foregoing sentence shall not preclude the County from financing all or a portion of such costs through one or more special benefit districts to be formed in the future. The City shall approve all construction plans and specifications, including the acquisition of property interests necessary to construct such improvements, and the City shall approve all connections to the sewer facilities, and may reject any construction plans and specifications or any sewer connection based on City ordinances or other applicable laws, policies, rules or regulations. All property interests obtained by the County for the construction of sewer facilities pursuant to this Agreement shall include the City as a grantee.

Section 7. Transfer of Ownership of Sewer Facilities and

Easements. Prior to any use, including but not limited to placement of sewage in the sewer facilities, the County shall tender in writing a request to the City that the City accept the sewer facilities. Upon written acceptance by the City of the sewer facilities, the sewer facilities shall be the property of the City, shall become part of the City's sanitary sewer system, and such facilities, and the users of such facilities, shall be subject to all applicable laws and regulations governing the City's sanitary sewer system. All pump stations, easements and other property interests, sewer lines, and related sewer facilities constructed or acquired by the County shall become the property of the City. All warranties associated with the sewer facilities constructed by the County pursuant to this Agreement shall be transferred to the City upon the City's acceptance of the sewer facilities.

Section 8. Connection to Sewer Facilities to Require County
Consent and to be made Pursuant to City Requirements;
Annexation Consent Required. Prior to the connection of a property, residence or structure to the City sewer system in situations where the sewer facilities have been constructed by the County pursuant to this Agreement, the property owner shall file such applications and pay all applicable fees and charges for the connection to the City as established by law, including any system development charges the City may require. Notwithstanding the

provisions of Section 7, the City shall not allow the connection of a property, residence or structure within the area described in Exhibit A unless the County confirms in writing that the property seeking a connection is in full compliance with all financial obligations to the County for sewer facilities. The County or the property owner shall pay to the City reasonable inspection fees associated with the inspection of sewer facilities, provided that nothing in this Agreement shall preclude the County from including such inspection fees in the costs of construction if the County finances such improvements through a special assessment benefit district. Pursuant to applicable law, the property owner shall have the responsibility for paying all assessments and costs due and owing to the County for any connection to the sewer facilities. The City shall notify the County of any initial connections to the sewer facilities constructed pursuant to this Agreement. All property owners in the area described in Exhibit A, with connections to sewer facilities shall comply with all applicable City laws and regulations, including but not limited to City pretreatment laws and regulations and City sewer use charges. The City and County shall cooperate with each other so that each party has a complete list of the names and addresses of all property owners with connections to the sewer facilities. The City shall require annexation to the City of the property prior to the connection to the sewer facilities, and the County shall not allow connection to the sewer facilities without execution the property owner's consent to annexation, in a form acceptable to the City.

Section 9. City Sewerage Requirements. The City shall operate such sanitary sewer pumping stations, force mains, and other facilities, as the City solely determines are necessary and appropriate, to adequately convey sewage from the sewer facilities that the County may construct pursuant to the provisions of this Agreement. The City shall operate treatment facilities or other appropriate facilities for such sewage as the City solely determines are necessary and appropriate to comply with applicable laws and regulations governing the treatment and discharge of such sewage.

<u>Section 10. Sewerage Service Charges and Rates.</u> All property owners with connections to the sewer facilities shall be required to

pay sewerage service charges to the City at rates and charges that may be established by the City. The rates and charges shall be established by methods similar to those used for determining rates and charges for sewerage service in use at the time of execution of this Agreement, provided that rates for property outside the City boundaries may be different than those rates within the City.

Section 11. Dissolution of County Sewer District. Pursuant to the provisions of K.S.A. 12-1617c, the County agrees to dissolve all inoperative sewer districts, established pursuant to this Agreement, if such district is 1) located wholly within the boundaries of the City, 2) the sewer district has no property of any kind, 3) the district has no officers independent of the board of county commissioners, 4) the district has no funds, 5) the district has no outstanding indebtedness, and 6) the district has ceased to function for more than one (1) year and will continue to be inoperative.

Section 12. City Annexation Authority. Nothing in this Agreement shall be interpreted as abrogating or limiting the authority of the City to annex tracts of property within the property described in Exhibit A of this Agreement. Both parties recognize the likelihood that such tracts shall in the future be annexed into the City.

Section 13. Mutual Indemnification.

- A) The City shall at all times save and hold harmless the County from all liability, costs, damages, and expenses of any kind, for the payment of which the County may become liable to any person, firm, or corporation by reason of any claim or damages to the extent caused by the failure of the City, its employees, patrons, agents, invitees, or servants to exercise due care and diligence in the use and operation of the sewer facilities.
- B) The County shall at all times save and hold harmless the City from all liability, costs, damages, and expenses of any kind, for the payment of which the City may become liable to any person, firm, or corporation by reason of any claim or damages to the extent caused by the failure of the County, its employees, patrons, agents, invitees,

or servants to exercise due care and diligence in the construction, installation, maintenance, use and operation of the sewer facilities.

Section 14. Termination. By a majority vote of both governing bodies, the City and the County may terminate this Agreement by jointly executing a notice of termination. No termination of this Agreement, however, shall adversely affect the connection of any County financed sewer facility to the City sewer system, provided that the City has previously approved the County financed sewer facility in accordance with Section 5 and the County has otherwise complied with this Agreement.

Section 15. Approval and Authorization. Each of the parties warrants and represents by the execution of this Agreement that it has been approved by its governing body and by its legal counsel as to form and legality, that the execution, delivery and performance of this Agreement by such party has been authorized by resolution duly adopted by its governing body, and that this Agreement constitutes a legal, valid and binding obligation of such party enforceable in accordance with its terms.

<u>Section 16. Duration.</u> The duration of this Agreement shall be perpetual, unless terminated as herein provided.

<u>Section 17. Survival of Representation and Warranties.</u> All representations, warranties, covenants and agreements contained herein shall survive the termination of this Agreement.

Section 18. Assignment and Binding Effect. Neither party may assign this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permissible assigns.

<u>Section 19. Applicable Law.</u> This Agreement shall be governed and interpreted in accordance with the laws of the State of Kansas.

Section 20. Effective Date. This Agreement shall take effect as of the date of the last approval by either the City or County governing body.

Section 21. Prior Agreements. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements, negotiations, and discussions concerning any matter contained herein.

Section 22. Resolution of Disputes. The parties shall in good faith attempt to resolve any controversy, dispute, or disagreement arising out of or relating to this Agreement, or the breach thereof, by negotiation. If any such controversy, dispute, or disagreement is not resolved within thirty (30) days, then the controversy, dispute, or disagreement will be submitted to mediation, but if the controversy, dispute, or dispute, or disagreement cannot be settled through mediation within an additional forty-five (45) days, the controversy, dispute, or disagreement shall be settled as otherwise provided by law.

Section 23. Consents and Approvals. Whenever this Agreement requires that the City approve any construction plans and specifications, accept any sewer facility, consent to any connection to the City sewer system, or otherwise approve or consent to any other action, the County may initiate its request for the consent or approval with the City's Department of Utilities and shall be entitled to deal with such representatives of the City that claim to have the authority to provide such consent or approval. Likewise, whenever this Agreement requires that the County approve or consent to any action, the City may initiate its request for the consent or approval with the County Department of Public Works and shall be entitled to deal with such representatives of the County that claim to have the authority to provide such consent or approval. Either party may, by written notice to the other party, change the department with which requests for consents or approvals may be originated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and made effective as of the day and year first set out.

FOR DOUGLAS COUNTY, KANSAS

This Agreement is approved as authorized by the Board of County
Commissioners of Douglas County, Kansas on theday
of August, 2006.
Bob Johnson, Chair ATTEST:
Ja∕nie Sh e∜, County Clerk
FOR CITY OF LAWRENCE, KANSAS
This Agreement is approved as authorized by the governing body of
the city of Lawrence, Kansas thisday of
, 2006.
Mike Amyx, Mayor
ATTEST:
Frank S. Book City Clark