



**LINCOLN-SMD 1 WASTEWATER AUTHORITY
MEETING AGENDA**

Regular Meeting of the Board of Directors

Lincoln City Hall, Third Floor Council Chambers
600 Sixth Street, Lincoln, CA 95648

September 11, 2026 at 10:00 a.m.

The public may also observe and participate in the meeting via Zoom at the following videoconferencing link: https://us06web.zoom.us/webinar/register/WN_L2bYfOdARYiQxL2vDwckAQ

Board of Directors

CITY OF LINCOLN

John Reedy, Vice Chair
Holly Andreatta

COUNTY OF PLACER

Shanti Landon, Chair
Cindy Gustafson

General Manager and Secretary

Jim Mulligan

Legal Counsel

Wes Miliband (Gavin Ralphs attending for Wes Miliband)

PRELIMINARY MATTERS

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. ROLL CALL
- D. PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items not on the Agenda within the Authority's subject matter jurisdiction should do so at this time. With respect to items on the Agenda, the Board will receive public comments at the time the item is opened for discussions, prior to any vote or other Board action. A three-minute time limit is requested. Please complete a speaker card and submit it to the General Manager at the meeting.

ACTION CALENDAR

1. CONSENT ITEMS

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board



without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.

1.1 Approval of Minutes – 7/10/26 Regular Meeting

2. GENERAL MANAGER'S REPORT AND UPDATE (Discussion, No Action) – A PowerPoint and verbal report will be provided to include the following:
 - GM Work in Progress
 - June and July 2026 Operations Fund Income Statements
3. OPERATIONS REPORT (Discussion, No Action) – A written and verbal report will be provided.
4. FIRST AMENDMENT TO THE 2003 LEASE AGREEMENT BETWEEN LiSWA AND WESTERN PLACER WASTE MANAGEMENT AUTHORITY (2900 Fiddymont Road) - (For discussion and potential action for approval authorizing execution and administration of the agreement). A staff memo is provided and the First Amendment and related documents.
5. LEGAL REPORT – A verbal report from General Counsel pertaining to relevant legislative, case, or related developments that have occurred.
6. DIRECTOR'S COMMENTS
7. CLOSED SESSION MATTERS - CONVENE TO CLOSED SESSION FOR MATTER(S) LISTED ON THE AGENDA

Public Employee Evaluation
(Government Code § 54957(b)(1))
Title: General Manager, Board Secretary, Authority Engineer

Public Employment
(Government Code § 54957(b)(1))
Title: General Manager

RECONVENE TO OPEN SESSION TO IDENTIFY REPORTABLE ACTION(S), IF ANY, TAKEN DURING CLOSED SESSION

8. DIRECTION TO LEGAL COUNSEL FOR GENERAL MANAGER EMPLOYMENT CONTRACT (Discussion and Potential Final Action) – Discuss, provide direction to District legal counsel, and/or approve the terms of the General Manager employment contract, including compensation, benefits, term, and other conditions of employment. Upon approval of the contract terms by the Board, which may occur at this Board meeting, authorize the Board Chair to execute the agreement in a form consistent with the Board's direction and approved as to form by LiSWA's legal counsel.

ADJOURNMENT

THE FOLLOWING INFORMATION IS PROVIDED TO ASSIST WITH PUBLIC PARTICIPATION:



Americans with Disabilities Act (ADA): In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the Lincoln City Clerk's Office at (916) 434-2490. The meeting room is wheelchair accessible and disabled parking is available. Notification at least 24 hours prior to the meeting or time when services are needed will assist staff in assuring reasonable arrangements can be made to provide accessibility to the meeting or service.

Agenda Availability: The main posting location of the LiSWA Agenda is on the public kiosk outside the entrance of Lincoln City Hall, 600 6th Street, Lincoln, California. Agenda Packets are available for review at the Lincoln City Clerk's Office, 600 6th Street, Lincoln, California.



**LINCOLN-SMD 1 WASTEWATER AUTHORITY
MEETING MINUTES**

Regular Meeting of the Board of Directors

July 10, 2026 at 10:00 a.m.

Board of Directors

CITY OF LINCOLN

John Reedy, Vice Chair
Holly Andreatta

COUNTY OF PLACER

Shanti Landon, Chair
Cindy Gustafson

General Manager and Secretary

Jim Mulligan

Legal Counsel

Wes Miliband (Gavin Ralphs attending for Wes Miliband)

PRELIMINARY MATTERS

A. CALL TO ORDER

The meeting was called to order at 10:03 am.

B. PLEDGE OF ALLEGIANCE

The pledge was led by Director Pearl.

C. ROLL CALL

Shanti Landon, Chair
Richard Pearl, Vice Chair - Alternate
Holly Andreatta, Director
Cindy Gustafson, Director

Staff present:

Jim Mulligan, General Manager and Board Secretary
Gavin Ralphs, Legal Counsel
Kelye McKinney, Authority Engineer

D. PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no public comments on non-agenda items.



ACTION CALENDAR

1. CONSENT ITEMS

It is recommended by the General Manager that these items, which are expected to be routine in nature and without controversy, be received and acted upon by the Board without discussion. If any Board member or interested party requests that an item be removed from the Consent Calendar for discussion, it will be considered separately. The consent calendar may be approved by a single motion to approve, followed by a second and then a call for vote.

- 1.1 Approval of Minutes – 5/29/26 Special Meeting, 6/12/26 Regular Meeting, 6/19/26 Special Meeting

Motion to approve by Director Gustafson, Second by Director Andreatta, Approved 4-0

2. GENERAL MANAGER'S REPORT AND UPDATE (Discussion, No Action) – A PowerPoint and verbal report will be provided to include the following:

A PowerPoint and verbal report were provided discussing financial report and work in progress.

- GM Work in Progress

Director Andreatta comments there are complications with Beazer Homes and their agreements with homeowners and asks Jim Mulligan to consult Sean Scully - Lincoln City Manager, before more work is done.

Jim Mulligan agrees.

- May 2026 Operations Fund Income Statement

Director Landon asks questions regarding Maintenance, Utilities and Operations GL expenses.

Jim Mulligan explains that the Maintenance GL are reimbursable Jacobs expenses under \$5,000, WWTRF expenses are repairs over \$5,000 paid directly by LiSWA – most notably making this account over budget were repairs to the Centrifuge (double the anticipated cost), Utilities budget was conservative due to PG&E Tru Up from past fiscal years, and Operations account will reconcile on June statements.

Director Gustafson explains the budget should conservatively reflect the needs of the aging plant so there are no budget overages and for adequate funding.

Jim Mulligan agrees.

3. OPERATIONS REPORT (Discussion, No Action) – A written and verbal report will be provided.

Gary Hengst gives PowerPoint presentation on operations.

Director Gustafson asks to clarify that the maturation pond pump #1 that failed cannot be repaired and asks how old it was.



Gary Hengst explains the pump was 22 years old and will need to be replaced but will keep and reuse the motor.

4. LEGAL REPORT – A verbal report from General Counsel pertaining to relevant legislative, case, or related developments that have occurred.

No report today.

Director Landon asks Gavin to introduce himself.

Gavin Ralphs explains he's filling in for Wes Miliband and is from BKS Law.

5. DIRECTOR'S COMMENTS

No Directors comments.

6. CLOSED SESSION MATTERS - CONVENE TO CLOSED SESSION FOR MATTER(S) LISTED ON THE AGENDA

Session closed at 10:20 am.

Open session reconvened at 10:57 am.

No reportable action from closed session.

7. POTENTIAL APPOINTMENT OF GENERAL MANAGER (Discussion and Potential Final Action to Appoint General Manager) – Discussion to consider appointment of a General Manager, subject to finalizing an employment agreement consistent with Board direction and approval as to form by LiSWA's legal counsel.

Director Landon asks the Board to consider the appointment of Richard Svindland as General Manager of LiSWA.

Motion to approve by Director Andreatta, Second by Director Gustafson, Approved 4-0

8. DIRECTION TO LEGAL COUNSEL AND *AD HOC* COMMITTEE FOR GENERAL MANAGER EMPLOYMENT CONTRACT (Discussion and Potential Final Action) – Discuss, provide direction to District legal counsel and the Board's *Ad Hoc* Committee, and/or approve the terms of the General Manager employment contract, including compensation, benefits, term, and other conditions of employment. Upon approval of the contract terms by the Board, authorize the Board Chair to execute the agreement in a form consistent with the Board's direction and approved as to form by LiSWA's legal counsel.

Gavin Ralphs reads employment terms that will be provided in a memorialized agreement and subject to Public Records Act.

Employment Terms

- \$260,000 salary
- A four-year term subject to renewal
- Nine months of severance, when separation is not for cause



- 457B or similar retirement plan contribution of \$150/month
- Health Vision Dental with 100% employee and 90% coverage for the spouse paid by the JPA
- Vehicle benefit of \$750/month, or JPA provided vehicle
- Any additional terms to be provided will be within the employment agreement

Motion to approve by Director Andreatta, Second by Director Gustafson, Approved 4-0

ADJOURNMENT

The meeting was adjourned at 11:00 am.



GENERAL MANAGER'S REPORT

**LiSWA Regular Board Meeting
September 11, 2026**





Agenda

- GM Work in Progress
- LiSWA June and July 2026 Operations Income Statement



General Manager's Report

GM Work in Progress

- WWTRF Improvement Project:
 - Influent pump station backup diesel pumps - TAG recommends inclusion into design.
 - Final design plans ready for review in October
- Development
 - Discharge permits (Beazer Homes)
 - System connection coordination (Beazer Homes)
- LiSWA Administration
 - Industrial pre-treatment program – customer self monitoring report (SMR) reviews complete: no deficiencies/within compliance
 - FY 25-26 Audit underway
 - WPWMA Lease amendment
 - ZEV Pickup
 - WWTRU Variances
 - Connection fee and monthly charges update

Lincoln-Sewer Maintenance District 1 Wastewater Authority

Operations Fund Income Statement

July 2025 through June 2026

Modified Accrual Book	Jul '25 - Jun 26	Budget	Variance	% of Budget
Income				
42005 - Fair Market Value ADJ	\$ (89,877.94)			
42010 - Investment Income				
RC0560 - Investment Income	\$ 1,226,009.72			
Total 42010 - Investment Income	\$ 1,226,009.72			
42030 - Short Term Rents				
RC0600 Short Term Rents	\$ 54,751.29	\$ 69,090.00	\$ (14,338.71)	79.25%
Total 42030 - Short Term Rents	\$ 54,751.29	\$ 69,090.00	\$ (14,338.71)	79.25%
46230 - Sanitation Services				
RC2230 - Operations	\$ 9,496,014.08	\$ 9,682,614.00	\$ (186,599.92)	98.07%
Total 46230 - Sanitation Services	\$ 9,496,014.08	\$ 9,682,614.00	\$ (186,599.92)	98.07%
46240 - Sanitation Serv Other				
RC2190 - Capital / Debt	\$ 4,483,273.32	\$ 4,576,882.00	\$ (93,608.68)	97.96%
RC2190 - Sewer Connection Fees	\$ 4,586,374.58	\$ 2,500,000.00	\$ 2,086,374.58	183.46%
Total 46240 - Sanitation Serv Other	\$ 9,069,647.90	\$ 7,076,882.00	\$ 1,992,765.90	128.16%
46360 - General Reimbursement				
RC2680 - Other	\$ 2,657.38	\$ 55,000.00	\$ (52,342.62)	4.83%
Total 46360 - General Reimbursement	\$ 2,657.38	\$ 55,000.00	\$ (52,342.62)	4.83%
48030 - Miscellaneous				
RC3010 - Reclaimed Water		\$ 30,000.00	\$ (30,000.00)	
Total 48030 - Miscellaneous		\$ 30,000.00	\$ (30,000.00)	
Total Income	\$ 19,759,202.43	\$ 16,913,586.00	\$ 2,845,616.43	116.82%
	\$ 19,759,202.43	\$ 16,913,586.00	\$ 2,845,616.43	116.82%
Expense				
52020 - Goods				
SC2029 Chemicals	\$ 597,450.11	\$ 558,249.00	\$ 39,201.11	107.02%
Total 52020 - Goods	\$ 597,450.11	\$ 558,249.00	\$ 39,201.11	107.02%
52040 - Communication Services				
SC2085 - Telephone	\$ 4,689.78	\$ 10,000.00	\$ (5,310.22)	46.9%
Total 52040 - Communication Services	\$ 4,689.78	\$ 10,000.00	\$ (5,310.22)	46.9%
52080 - Insurance Services				
SC2140 - Insurance Services	\$ 291,749.51	\$ 250,000.00	\$ 41,749.51	116.7%
Total 52080 - Insurance Services	\$ 291,749.51	\$ 250,000.00	\$ 41,749.51	116.7%
52160 - Maintenance - Service				
SC2270 - Maintenance	\$ 46,556.00	\$ 171,260.00	\$ (124,704.00)	27.18%
SC2270 - WWTRF Maintenance	\$ 817,579.72	\$ 320,816.00	\$ 496,763.72	254.84%
Total 52160 - Maintenance - Service	\$ 864,135.72	\$ 492,076.00	\$ 372,059.72	175.61%
52240 - Member, Reg, Warr				
SC2550 - Prof Membership	\$ 5,869.36	\$ 10,800.00	\$ (4,930.64)	54.35%
Total 52240 - Member, Reg, Warr	\$ 5,869.36	\$ 10,800.00	\$ (4,930.64)	54.35%
52360 - Prof/Special Services				

Lincoln-Sewer Maintenance District 1 Wastewater Authority

Operations Fund Income Statement

July 2025 through June 2026

Modified Accrual Book	Jul '25 - Jun 26	Budget	Variance	% of Budget
SC2940 - Consulting	\$ 539,451.69		\$ 539,451.69	100.0%
SC2940 - Consulting WWTRF	\$ 91,325.16		\$ 91,325.16	100.0%
SC2950 - Engineering WWTRF	\$ 387,190.37	\$ 475,000.00	\$ (87,809.63)	81.51%
SC3010 - Alarm Service	\$ 2,550.00		\$ 2,550.00	100.0%
SC3030 - Security	\$ 360.00			
52360 - Prof/Special Services - Other		\$ 1,248,988.00	\$(1,248,988.00)	
Total 52360 - Prof/Special Services	\$ 1,020,877.22	\$ 1,723,988.00	\$ (703,110.78)	59.22%
52370 - Prof/Special Services				
SC3130 - Legal	\$ 94,644.50	\$ 150,000.00	\$ (55,355.50)	63.1%
Total 52370 - Prof/Special Services	\$ 94,644.50	\$ 150,000.00	\$ (55,355.50)	63.1%
52380 - Prof/Special Services				
SC3150 - Grounds Maintenance	\$ 13,931.38			
SC3310 - Operations	\$ 2,581,418.00	\$ 2,581,418.00		100.0%
SC3320 - Environ, Ecological	\$ 42,067.66		\$ 42,067.66	100.0%
Total 52380 - Prof/Special Services	\$ 2,637,417.04	\$ 2,581,418.00	\$ 55,999.04	102.17%
52390 - Prof/Special Services				
SC4705 - Internal Services	\$ 70,000.00		\$ 70,000.00	100.0%
52390 - Prof/Special Services - Other		\$ 75,000.00	\$ (75,000.00)	
Total 52390 - Prof/Special Services	\$ 70,000.00	\$ 75,000.00	\$ (5,000.00)	93.33%
52400 - Information Technology				
SC3360 - IT Services	\$ 163,525.56	\$ 150,000.00	\$ 13,525.56	109.02%
Total 52400 - Information Technology	\$ 163,525.56	\$ 150,000.00	\$ 13,525.56	109.02%
52450 - Prof/Special Services				
SC3480 - Short Term Rental	\$ 66,835.91	\$ 64,000.00	\$ 2,835.91	104.43%
Total 52450 - Prof/Special Services	\$ 66,835.91	\$ 64,000.00	\$ 2,835.91	104.43%
52510 - Commissioner's Fees		\$ 9,600.00	\$ (9,600.00)	
52570 - Advertising		\$ 7,500.00	\$ (7,500.00)	
52790 - Transportation/Travel				
SC4280 – Travel	\$ 1,612.59			
Total 52790 - Transportation/Travel	\$ 1,612.59			
52800 - Utilities				
SC4340 - Utilities	\$ 1,321,838.51	\$ 2,237,200.00	\$ (915,361.49)	59.09%
Total 52800 - Utilities	\$ 1,321,838.51	\$ 2,237,200.00	\$ (915,361.49)	59.09%
52810 - Goods				
SC4456 - Sewage Treatment	\$ 990,488.71	\$ 968,024.00	\$ 22,464.71	102.32%
Total 52810 - Goods	\$ 990,488.71	\$ 968,024.00	\$ 22,464.71	102.32%
53190 - Taxes and Assessments				
SC4870 - Taxes and Assessments	\$ 74,340.98	\$ 90,000.00	\$ (15,659.02)	82.6%
Total 53190 - Taxes and Assessments	\$ 74,340.98	\$ 90,000.00	\$ (15,659.02)	82.6%
53390 - Cost Plan Allocation	\$ 8,871.00		\$ 8,871.00	100.0%
54450 - Capital Asset Equipment	\$ 740,331.65	\$ 1,712,000.00	\$ (971,668.35)	
59000 - Debt Payments	\$ 204,803.52	\$ 2,705,200.00	\$(2,500,396.48)	

Lincoln-Sewer Maintenance District 1 Wastewater Authority
Operations Fund Income Statement
July 2025 through June 2026

Modified Accrual Book	Jul '25 - Jun 26	Budget	Variance	% of Budget
Total Expense	\$ 9,159,481.67	\$ 13,795,055.00	\$(4,635,573.33)	66.4%
Net Ordinary Income	\$ 10,599,720.76	\$ 3,118,531.00	\$ 7,481,189.76	339.9%
Other Income/Expense				
Other Expense				
Depreciation Expenses	\$ 6,519,954.72			
Total Other Expense	\$ 6,519,954.72		\$ 6,519,954.72	100.0%
Net Other Income	\$ (6,519,954.72)		\$(6,519,954.72)	100.0%
Net Income	\$ 4,079,766.04	\$ 3,118,531.00	\$ 961,235.04	130.82%
Footnotes	Modified Accrual Book			
	52360 2940, 2950 WWTRF / 54450 / 59000 - On Balance Sheet as CIP, Capital Assets, and/or Debt Payments			

Lincoln-Sewer Maintenance District 1 Wastewater Authority

Operations Fund Income Statement

July 2026

Modified Accrual Book	Jul 26	Budget	Variance	% of Budget
Income				
42010 - Investment Income				
RC0560 - Investment Income	\$ 126,216.94			
Total 42010 - Investment Income	\$ 126,216.94			
42030 - Short Term Rents				
RC0600 Short Term Rents	\$ 320.00	\$ 69,090.00	\$ (68,770.00)	0.46%
Total 42030 - Short Term Rents	\$ 320.00	\$ 69,090.00	\$ (68,770.00)	0.46%
46230 - Sanitation Services				
RC2230 - Operations	\$ 833,725.55	\$ 10,222,624.00	\$ (9,388,898.45)	8.16%
Total 46230 - Sanitation Services	\$ 833,725.55	\$ 10,222,624.00	\$ (9,388,898.45)	8.16%
46240 - Sanitation Serv Other				
RC2190 - Capital / Debt	\$ 393,947.51	\$ 4,830,339.00	\$ (4,436,391.49)	8.16%
RC2190 - Sewer Connection Fees		\$ 3,500,000.00	\$ (3,500,000.00)	
Total 46240 - Sanitation Serv Other	\$ 393,947.51	\$ 8,330,339.00	\$ (7,936,391.49)	4.73%
46360 - General Reimbursement				
RC2680 - Other	\$ 60.00	\$ 4,000.00	\$ (3,940.00)	1.5%
Total 46360 - General Reimbursement	\$ 60.00	\$ 4,000.00	\$ (3,940.00)	1.5%
Total Income	\$ 1,354,270.00	\$ 18,626,053.00	\$ (17,271,783.00)	7.27%
	\$ 1,354,270.00	\$ 18,626,053.00	\$ (17,271,783.00)	7.27%
Expense				
52020 - Goods				
SC2029 Chemicals	\$ 53,009.11	\$ 740,000.00	\$ (686,990.89)	7.16%
Total 52020 - Goods	\$ 53,009.11	\$ 740,000.00	\$ (686,990.89)	7.16%
52040 - Communication Services				
SC2085 - Telephone		\$ 10,300.00	\$ (10,300.00)	
Total 52040 - Communication Services		\$ 10,300.00	\$ (10,300.00)	
52080 - Insurance Services				
SC2140 - Insurance Services	\$ 140,865.72	\$ 310,000.00	\$ (169,134.28)	45.44%
Total 52080 - Insurance Services	\$ 140,865.72	\$ 310,000.00	\$ (169,134.28)	45.44%
52160 - Maintenance - Service				
SC2270 - Maintenance	\$ 3,879.67	\$ 410,000.00	\$ (406,120.33)	0.95%
SC2270 - WWTRF Maintenance	\$ 23,118.74	\$ 290,990.75	\$ (267,872.01)	7.95%
Total 52160 - Maintenance - Service	\$ 26,998.41	\$ 700,990.75	\$ (673,992.34)	3.85%
52240 - Member, Reg, Warr				
SC2550 - Prof Membership		\$ 5,300.00	\$ (5,300.00)	
Total 52240 - Member, Reg, Warr		\$ 5,300.00	\$ (5,300.00)	
52360 - Prof/Special Services				
SC2810 - Financial		\$ 40,000.00	\$ (40,000.00)	
SC2940 - Consulting	\$ 3,980.03	\$ 1,000,220.00	\$ (996,239.97)	0.4%
SC2940 - Consulting WWTRF		\$ 70,725.00	\$ (70,725.00)	
SC2950 - Engineering		\$ 100,000.00	\$ (100,000.00)	

Lincoln-Sewer Maintenance District 1 Wastewater Authority

Operations Fund Income Statement

July 2026

Modified Accrual Book	Jul 26	Budget	Variance	% of Budget
SC3010 - Alarm Service		\$ 25,750.00	\$ (25,750.00)	
Total 52360 - Prof/Special Services	\$ 3,980.03	\$ 1,236,695.00	\$ (1,232,714.97)	0.32%
52370 - Prof/Special Services				
SC3130 - Legal		\$ 154,500.00	\$ (154,500.00)	
Total 52370 - Prof/Special Services		\$ 154,500.00	\$ (154,500.00)	
52380 - Prof/Special Services				
SC3310 - Operations	\$ 215,118.16	\$ 2,736,756.00	\$ (2,521,637.84)	7.86%
SC3320 - Environ, Ecological	\$ 7,084.65	\$ 1,500.00	\$ 5,584.65	472.31%
Total 52380 - Prof/Special Services	\$ 222,202.81	\$ 2,738,256.00	\$ (2,516,053.19)	8.12%
52390 - Prof/Special Services				
SC4705 - Internal Services		\$ 102,430.00	\$ (102,430.00)	
Total 52390 - Prof/Special Services		\$ 102,430.00	\$ (102,430.00)	
52400 - Information Technology				
SC3360 - IT Services	\$ 15,556.13	\$ 175,000.00	\$ (159,443.87)	8.89%
Total 52400 - Information Technology	\$ 15,556.13	\$ 175,000.00	\$ (159,443.87)	8.89%
52450 - Prof/Special Services				
SC3480 - Short Term Rental	\$ 5,674.46	\$ 70,000.00	\$ (64,325.54)	8.11%
Total 52450 - Prof/Special Services	\$ 5,674.46	\$ 70,000.00	\$ (64,325.54)	8.11%
52510 - Commissioner's Fees		\$ 9,600.00	\$ (9,600.00)	
52570 - Advertising		\$ 7,500.00	\$ (7,500.00)	
52800 - Utilities				
SC4340 - Utilities	\$ 105,860.30	\$ 1,530,566.00	\$ (1,424,705.70)	6.92%
Total 52800 - Utilities	\$ 105,860.30	\$ 1,530,566.00	\$ (1,424,705.70)	6.92%
52810 - Goods				
SC4456 - Sewage Treatment	\$ 80,668.67	\$ 978,000.00	\$ (897,331.33)	8.25%
Total 52810 - Goods	\$ 80,668.67	\$ 978,000.00	\$ (897,331.33)	8.25%
53190 - Taxes and Assessments				
SC4870 - Taxes and Assessments	\$ 6,345.84	\$ 92,700.00	\$ (86,354.16)	6.85%
Total 53190 - Taxes and Assessments	\$ 6,345.84	\$ 92,700.00	\$ (86,354.16)	6.85%
53390 - Cost Plan Allocation		\$ 7,000.00	\$ (7,000.00)	
54450 - Capital Asset Equipment				
SC4455 - Equipment		\$ 4,672,122.00	\$ (4,672,122.00)	
Total 54450 - Capital Asset Equipment		\$ 4,672,122.00	\$ (4,672,122.00)	
54470 - Captial Engineering				
SC5280 - Infrastructure		\$ 800,000.00	\$ (800,000.00)	
Total 54470 - Captial Engineering		\$ 800,000.00	\$ (800,000.00)	
59000 - Debt Payments		\$ 2,705,200.00	\$ (2,705,200.00)	
Total Expense	\$ 661,161.48	\$ 17,046,159.75	\$ (16,384,998.27)	3.88%
Net Ordinary Income	\$ 693,108.52	\$ 1,579,893.25	\$ (886,784.73)	43.87%
Net Income	\$ 693,108.52	\$ 1,579,893.25	\$ (886,784.73)	43.87%
Footnotes Modified Accrual Book				

Lincoln-Sewer Maintenance District 1 Wastewater Authority
Operations Fund Income Statement
July 2026

Modified Accrual Book	Jul 26	Budget	Variance	% of Budget
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August 2026 LWWTRF Operations Report

9-11-26

Highlights

- 154.457 Million Gallons (MG) of influent, 52.172 MG of effluent was sent to reclamation and 94.034 MG of effluent was sent to Auburn Ravine this month.
- Added Rob Guerrero to our maintenance staff.
- Completed over 400 work orders this month.
- Constructed and installed upper pipe plug on Maturation Pond #2 upper outlet. To help in our ongoing battle against algae. Photo 1.



Compliance

- There were **no** compliance issues this month.

Table 1.

Major Equipment Out of Service						
Equipment	Failure Date	Redundancy	Problem	Solution	Estimated Repair Cost	Estimated Return to Service Date
SHT Blower 3C	1-1-22	1 of 3	Original 2004 Blower worn out	FY26/27 CIP purchase. Replace with new blower	\$25,000	10-1-26
Mat Pond Pump #1	6-15-25	1 of 5	Pump Failed	Replacing with older filter feed pump #3. Pump model has been discontinued. Searching for replacement.	TBD	9/23/26

Table 2.

Month/Year	Influent INF-001 (Daily Averages)				
	Flow	BOD5	BOD5 Load	TSS	TSS Load
	MGD	mg/L	Lbs	mg/L	Lbs
Aug '25	4.774	240	9,504	334	13,243
Sep '25	4.814	242	9,588	289	11,506
Oct '25	5.114	173	7,349	147	6,335
Nov '25	6.274	148	7,591	153	7,911
Dec '25	6.741	170	9,054	132	7,348
Jan '26	7.090	189	9,596	181	9,268
Feb '26	7.408	137	7,718	187	12,046
Mar '26	5.634	137	6,351	263	12,215
Apr '26	7.847	158	10,331	322	19,857
May '26	6.043	238	12,051	274	14,114
Jun '26	5.215	247	10,668	250	10,785
Jul '26	5.039	282	11,731	317	13,058
Aug '26	4.982	275	11,281	288	11,807

Table 3.

Month/Year	Influent Flow	Effluent discharged to Auburn Ravine	Total Flow to Reclamation	Warm Springs Flow	Pivot Flow	Machado Flow	Effluent to City (Sierra Pacific & Fosket)	TSB Net Flow (+Influent)(-Effluent)	Total Precipitation
	MGD	MGD	MGD	MGD	MGD	MGD	MGD	MGD	inches
Aug '25	147.984	94.572	68.297	21.801	43.314	0.000	3.182	-29.774	0.000
Sep '25	144.420	74.534	39.238	17.854	15.987	0.000	5.397	45.863	0.000
Oct '25	158.532	162.343	2.793	0.000	0.000	0.000	2.793	28.971	2.140
Nov '25	188.206	260.260	2.090	0.000	0.000	0.000	2.090	-80.160	3.650
Dec '25	208.967	68.966	2.769	0.000	0.000	0.000	2.769	77.946	3.090
Jan '26	219.798	243.624	2.571	0.000	0.000	0.000	2.571	-4.293	3.620
Feb '26	207.426	184.512	2.200	0.000	0.000	0.000	2.200	0.878	3.580
Mar '26	174.654	282.023	19.473	8.987	7.752	0.000	2.734	-72.160	0.130
Apr '26	235.419	240.034	3.183	0.000	0.000	0.000	3.183	-5.031	4.780
May '26	187.333	94.118	18.106	3.491	11.163	0.000	3.452	71.914	1.550
Jun '26	156.444	130.899	35.990	7.076	25.647	0.000	3.267	-6.531	0.000
Jul '26	156.199	91.965	57.526	22.727	29.370	0.000	5.429	-3.130	0.000
Aug '26	154.457	94.034	52.172	20.439	25.951	0.000	5.782	-2.742	0.000



MEMORANDUM

LINCOLN-SMD1 WASTEWATER AUTHORITY

TO: LISWA BOARD OF DIRECTORS DATE: SEPTEMBER 11, 2026
FROM: WES MILIBAND, GENERAL COUNSEL
SUBJECT: First Amendment to the 2003 Lease Agreement with the Western Placer Waste Management Authority (2900 Fiddymont Road)

RECOMMENDED ACTION

Staff recommends that the Board of Directors:

1. Approve the First Amendment to the Lease Agreement between the Western Placer Waste Management Authority (WPWMA) and LiSWA including the revised description of the Premises and Attachment B-1 depiction; and
2. Authorize West Yost to execute the First Amendment on behalf of LiSWA.

BACKGROUND

LiSWA leases approximately 320 acres of WPWMA's western expansion property at 2900 Fiddymont Road for spray application of a portion of the treated effluent produced at the Lincoln Wastewater Treatment and Reclamation Facility (WWTRF). The lease has operated continuously since 2004 and, since 2014, has continued as a month-to-month holdover tenancy pending an amendment.

WPWMA has asked to adjust the northern boundary of the leased area so that a portion of the property may be leased to another entity, and to replace the holdover arrangement with a defined year-to-year term. The First Amendment accomplishes both. West Yost conferred with WPWMA staff regarding the business points and has confirmed that the revised lease area and term do not adversely impact LiSWA's spray-application operations, infrastructure, access, or regulatory compliance. LiSWA's legal counsel has reviewed the First Amendment and finds it acceptable as to form.

Purpose of the Lease

The Lease Agreement, effective August 14, 2003, was entered into between WPWMA and the City of Lincoln to provide land area for the beneficial land application of treated effluent from the WWTRF. The leased property is used for spray irrigation of forage crops through center-pivot systems, and supports:

- Seasonal and wet-weather effluent disposal capacity for the WWTRF, reducing reliance on surface-water discharge;
- Compliance with the WWTRF's waste discharge and recycled-water requirements through agronomic land application;

- On-site infrastructure necessary to that use, including irrigation pipelines and pivots, pumping stations, groundwater monitoring wells, access roads, and the “hay barn” used for equipment and materials storage.

On August 11, 2022, WPWMA authorized assignment of the Lease Agreement from the City of Lincoln to LiSWA, and LiSWA accepted the assignment effective May 24, 2023, consistent with Section 9.3 of the City–County of Placer joint powers agreement under which LiSWA owns and operates the wastewater facilities. The assignment expressly allocated pre-assignment liabilities to the City and post-assignment liabilities to LiSWA, and made no change to the terms of the Lease or to the utilization of the property.

Need for an Amendment

Three circumstances make an amendment appropriate at this time:

- **Boundary adjustment requested by WPWMA.** WPWMA intends to lease a portion of the current lease area to another entity. To do so, the northern boundary of LiSWA’s lease area must be moved south to a line immediately south of the Athens Avenue / Fiddymment Road driveway. Amending the written description and map is necessary so that both agencies operate from the same, accurate definition of the Premises.
- **The lease has been in holdover since 2014.** The original ten-year term expired December 31, 2014, and on July 15, 2014 the parties agreed to continue under Section 20 (“Hold Over”) as a month-to-month tenancy until an amendment could be approved. A month-to-month posture is not well suited to a facility LiSWA relies upon for effluent management, and the parties have long intended to replace it.
- **WPWMA’s future landfill use of the property.** WPWMA has disclosed that it intends to use the Premises for its landfill purposes in the foreseeable future and anticipates terminating the Lease within approximately three years. Converting the tenancy to a defined year-to-year term with a fixed notice mechanism gives LiSWA a clearer planning horizon than an open-ended month-to-month holdover, and puts WPWMA’s intentions on the record.

West Yost coordination with WPWMA staff

West Yost conferred with WPWMA staff regarding the business points raised during LiSWA’s review of the draft amendment, including the location of the revised northern boundary, retention of the hay barn and the 40-foot access strip, continued use of existing irrigation and monitoring facilities, avoidance of interference from the prospective third-party lessee, rent, and the structure of the term. Based on that coordination, West Yost has confirmed the following:

- The revised lease area retains the acreage and the center-pivot irrigation area that LiSWA actually uses for spray application; the boundary adjustment affects area north of the operating pivots.
- All existing irrigation infrastructure, pumping stations, groundwater monitoring wells, access roads, and the hay barn required for LiSWA’s operations remain within the revised Premises or are expressly authorized for LiSWA’s use.
- The reduction does not impair LiSWA’s hydraulic or agronomic loading capacity, and no change to the WWTRF’s permitted recycled-water or land-application practices is required as a result of the Amendment.
- Rent remains unchanged, which is appropriate given that the leased area remains approximately 320 acres and that all improvements material to LiSWA’s use are retained.

- WPWMA staff confirmed that the prospective third-party lease is intended to occupy the area north of the revised boundary and is not to interfere with LiSWA's access or operations, consistent with Recital 5 of the Amendment.

On that basis, West Yost has advised that the First Amendment presents no adverse operational, capacity, or regulatory impacts to LiSWA and is acceptable from an engineering and operations standpoint.

Legal counsel review

LiSWA legal counsel has reviewed the First Amendment together with the 2003 Lease Agreement, the 2023 Assignment and Assumption Agreement, and Attachment B-1. Counsel notes the following:

- The Amendment is narrow in scope. It changes only the description and depiction of the Premises and the term, and expressly preserves all remaining lease provisions, including the rent, use, hazardous-materials, indemnity, insurance, and assignment terms, and the liability allocation established by the 2023 Assignment and Assumption Agreement.
- The revised description resolves the ambiguities identified in the earlier draft: the acreage is now stated, the aerial depiction is attached and incorporated, and LiSWA's existing irrigation infrastructure, monitoring wells, pumping stations, hay barn, and vehicle access are expressly protected.
- Replacing the month-to-month holdover with a year-to-year term, terminable only on written notice given at least 90 days before an anniversary and effective on the next anniversary, improves LiSWA's tenure certainty relative to the current month-to-month posture.
- Recital 6 records WPWMA's stated intention to put the Premises to landfill use and to terminate the Lease within approximately three years. This is a disclosure rather than an operative term, but staff recommends that LiSWA treat it as a planning assumption and continue evaluating long-term effluent management alternatives.

ATTACHMENTS

First Amendment to WPWMA Lease
2023 Assignment of Lease from City of Lincoln to LiSWA
2003 Lease Agreement

**FIRST AMENDMENT TO THE LEASE AGREEMENT BETWEEN THE
WESTERN PLACER WASTE MANAGEMENT AUTHORITY AND THE
LINCOLN-SEWER MAINTENANCE DISTRICT 1 WASTEWATER AUTHORITY**

This FIRST Amendment ("Amendment") is made to be effective as of, from and after the _____ day of _____ 2026 ("Effective Date"), and between the **Western Placer Waste Management Authority**, a California joint powers authority (hereinafter referred to as the "AUTHORITY"), and the **Lincoln-Sewer Maintenance District 1 Wastewater Authority**, a California joint powers authority (hereinafter referred to as the "TENANT").

RECITALS

1. The AUTHORITY and the City of Lincoln entered into a real property lease agreement (the "Lease Agreement") for the use of approximately 320-340 acres of the AUTHORITY's western expansion property to be used by the City of Lincoln for spray application of a portion of the treated wastewater produced at the Lincoln Wastewater Treatment and Reclamation Facility (WWTRF) with an effective date of August 14, 2003.
2. The term of the Lease Agreement was for ten (10) years commencing on the effective date of August 1, 2004 and expiring on December 31, 2014.
3. On July 15, 2014, the Authority and the City of Lincoln agreed that the parties would allow the Lease Agreement to continue according to its terms as a month-to-month tenancy in accordance with Section 20 "Hold Over" until such time an amendment to the Lease Agreement between the Authority and the City of Lincoln could be approved.
4. On August 11, 2022, the AUTHORITY authorized the assignment by the City of Lincoln of the Lease Agreement to TENANT with no changes in the terms of the Lease Agreement, and on May 24, 2023 TENANT accepted such assignment from the City of Lincoln.
5. AUTHORITY intends to lease a portion of the Premises described in the Lease Agreement to another entity, and as a result desires to amend the Premises described in the Lease Agreement by moving the northern boundary of the lease area to a boundary line immediately south of the Athens/Fiddymont driveway, notwithstanding the hay barn area, without otherwise impacting TENANT's lease or interfering with TENANT.
6. The AUTHORITY intends to utilize the Premises for its intended landfill purposes in the near future and anticipates that it will terminate the Lease Agreement and direct TENANT to vacate the Premises within the next three years. However, during the interim period AUTHORITY is willing to continue the Lease Agreement on a year-to-year basis, until such time as AUTHORITY determines it has a need to utilize the Premises.
7. The AUTHORITY and TENANT wish to amend the terms of the Lease Agreement to memorialize the change in the boundary of the Premises and to amend the Term of the Lease Agreement as more specifically set forth in the terms below. All references in this First Amendment to a Section, to an Appendix, or to an Exhibit shall refer to that Section or Exhibit of the Agreement, and all terms defined in the Agreement shall have the same meaning herein.

NOW THEREFORE, THE PARTIES AGREE TO AMEND THE LEASE AGREEMENT AS FOLLOWS:

1. Section 1 of the Lease Agreement is hereby amended to read as follows:

“Premises: The AUTHORITY agrees to rent to TENANT, on the terms and conditions hereinafter set forth, and for the rent specified herein, that certain real property described in ~~Exhibit A~~ Attachment B, attached hereto and incorporated herein by reference, located at 2900 Fiddymont Road, Lincoln, California (hereinafter referred to as the “Premises”). The Premises is comprised generally of: 320 acres; and all the buildings and other improvements located thereon. The Premises is depicted in Attachment B-1, attached to the First Amendment to the Lease Agreement and incorporated herein by this reference.”

2. Section 2 of the Lease Agreement is hereby deleted and replaced in its entirety with the following:

“Term: Commencing on the Effective Date of the First Amendment to the Lease Agreement, the term of the Lease Agreement shall continue on a year-to-year basis, until terminated by either party. Either party may terminate this Lease Agreement by providing written notice not less than ninety (90) days prior to the anniversary of the Effective Date of the First Amendment to the Lease Agreement. The Lease Agreement shall terminate on the next anniversary of the Effective Date of the First Amendment following the date of such written notice.

3. Section 20 of the Lease Agreement is hereby deleted.
4. Attachment B “Description of Leased Property” shall be deleted and replaced in its entirety with the following:

“The property consists of the southern portions of the WPWMA property bordered by Fiddymont Road on the east and West Sunset on the South, comprising approximately 320 acres. The property is generally depicted on the aerial photograph attached as Attachment B-1, with the northern boundary being directly south of the property driveway at the Athens Avenue and Fiddymont Road intersection. Also included is the “hay barn” and 40 feet directly west of the hay barn for vehicle access. All existing irrigation infrastructure, monitoring wells, pumping stations, and the hay barn used in connection with TENANT’s operations are within the revised premises or otherwise expressly authorized for use by TENANT. TENANT’s rights and use of the property otherwise remain unchanged by this Amendment.”

5. Attachment B-1 attached to this First Amendment is incorporated into the Lease Agreement by this reference.
6. In all other respects not directly addressed by this Amendment, the Lease Agreement remains in full force and effect.

Executed as of the day first above stated.

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

By: Scott Scholz
General Manager, Western Placer Waste Management
Authority

Date: 08/24/2026

Lincoln-Sewer Maintenance District 1 Wastewater Authority

By: _____

Date: _____

Approved as to Form

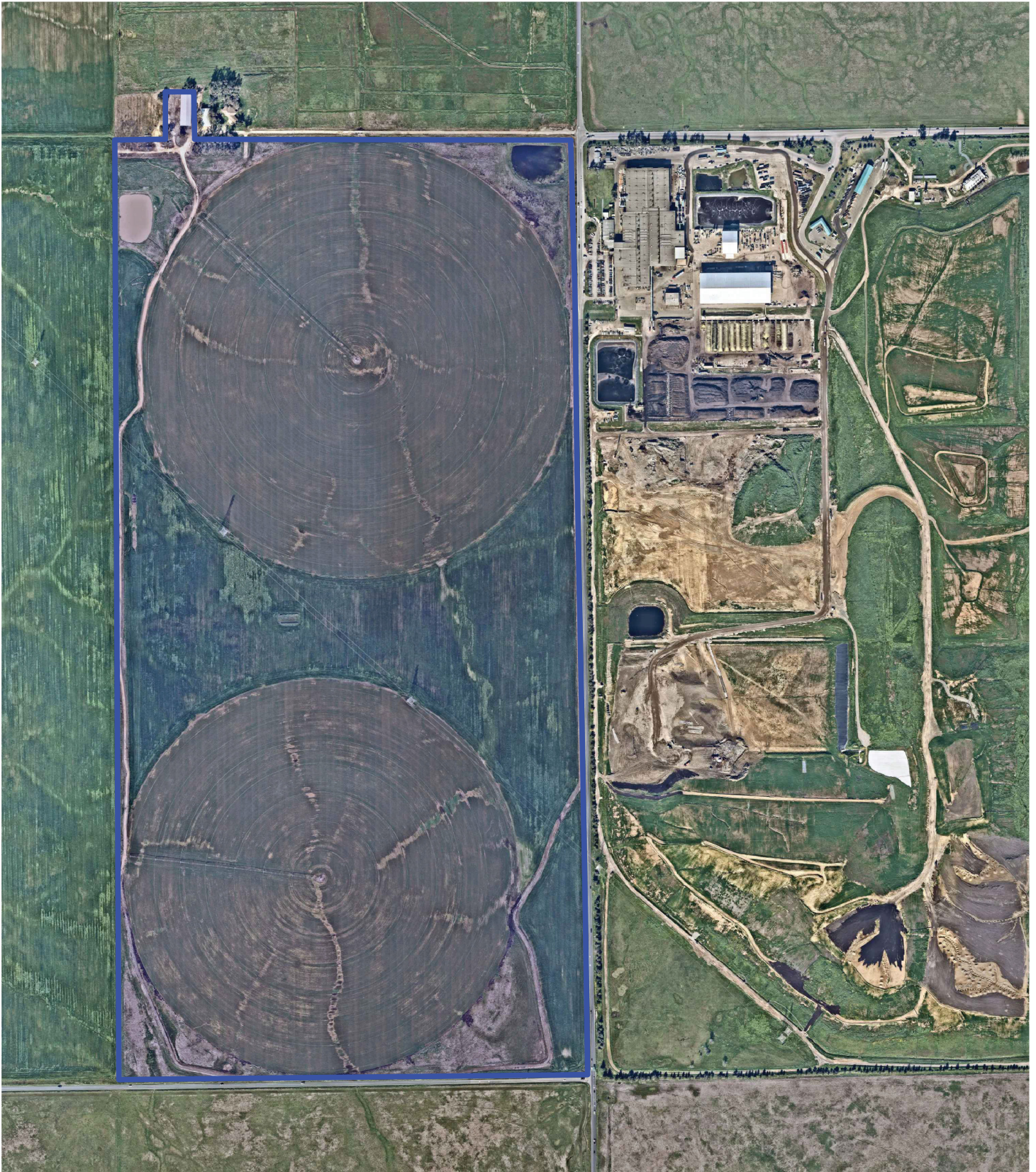
By: Ethan Walsh
Ethan Walsh (Aug 24, 2026 14:58:44 PDT)
Authority Counsel

Date: 08/24/2026

ATTACHMENT B-1

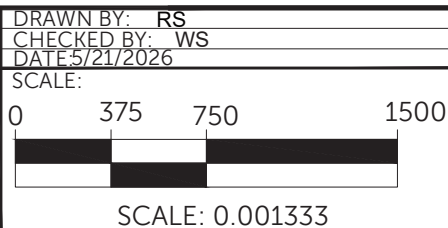
Depiction of the Premises

[Attached behind this cover page]



NOTES:

1.



WESTERN PLACER WASTE MANAGEMENT AUTHORITY	
3013 FIDDYMENT ROAD	
ROSEVILLE, CALIFORNIA 95747	
(916) 543-3960	
www.wpwma.ca.gov	
LEASE AREA	SHEET TITLE
	EXH A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Agreement**”) is made and entered into effective as of MAY 24, 2023 (the “**Effective Date**”), by and between the City of Lincoln, a municipal corporation (“**City**”) and Lincoln-SMD1 Wastewater Authority, a Joint Powers Authority formed pursuant to California Government Code Section 6500 *et seq.* (“**Authority**”). The City and the Authority are each a “**Party**” and together the “**Parties**.”

A. The City owns and operates the Lincoln Wastewater Treatment and Reclamation Facility (the “**Facility**”), as well as the tributary wastewater collection and conveyance systems that serve properties within the City of Lincoln.

B. The City and the County of Placer (“**County**”) are parties to the *Lincoln-SMD1 Wastewater Authority Joint Powers Agreement*, (the “**JPA**”) by which the City and County established a new public entity, the Authority, to jointly and continuously provide the essential public service of wastewater conveyance, treatment, and disposal for properties located within the City and the SMD-1 service area. Section 9.1 of the JPA provides that the Authority will own and hold title to the Authority Facilities, as that term is defined in the JPA, and which includes the Facility.

C. Section 9.3 of the JPA provides that the City and County shall assign, and the Authority shall accept, all contracts necessary or convenient to the operation, maintenance, or ownership of the Authority Facilities.

D. By this Agreement, the City shall assign to the Authority, and the Authority shall assume from the City, its rights and obligations pursuant to that certain Lease Agreement between the City and Western Placer Waste Management Authority dated August 14, 2003, which is attached to this Agreement as Exhibit A (the “**Assumed Contract**”).

The Parties therefore agree as follows:

1. Assignment. The City hereby sells, assigns, transfers and conveys to the Authority all of the City's rights and obligations under the Assumed Contract; provided, however, that nothing herein shall be construed as (i) imposing any liability on the Authority with respect to the Assumed Contract for the performance of obligations arising thereunder prior to the Effective Date or as a result of the acts or omissions of the City or of its officers, employees, contractors, agents or affiliates thereunder prior to the Effective Date, or (ii) imposing any liability on the City with respect to the Assumed Contracts as a result of the acts or omissions of the Authority or of its officers, employees, contractors, agents or affiliates thereunder from and after the Effective Date.

2. Assumption. The Authority hereby accepts the sale, assignment, transfer and conveyance of the City's rights and obligations under the Assumed Contracts; provided, however, that nothing herein shall be construed as (i) imposing any liability on the Authority with respect to the Assumed Contract for the performance of obligations arising thereunder prior to the Effective Date or as a result of the acts or omissions of the City or its officers, employees, contractors, agents or affiliates thereunder prior to the Effective Date, or (ii) imposing any liability on the City with respect to the Assumed Contracts as a result of the acts or omissions of

Assignee or its officers, employees, contractors, agents or affiliates thereunder from and after the Effective Date.

3. Governing Law; Amendment. This Agreement shall be governed by and construed in accordance with the laws of the State of California and may not be amended or modified except by written instrument signed by the parties hereto.

4. Counterparts. This Agreement may be executed in any number of counterparts and delivered by facsimile or electronic mail with the same effect as if all Parties had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

5. Attorneys' Fees. In the event of a dispute among the parties hereto with respect to the subject matter hereof, the prevailing party in any such dispute shall be entitled to collect from the other any and all attorneys' fees and costs.

6. Entirety. This Agreement represents the entire agreement of the parties hereto with respect to the subject matter hereof, it being understood and agreed that nothing herein shall affect the rights and obligations of the City or the Authority under the JPA. Notwithstanding any other provision of this Agreement, no provision of this Agreement shall in any way modify, amend, replace, change, rescind, waive, enlarge or in any way affect the express provisions (including the warranties, covenants, agreements, conditions, representations, or any of the obligations and indemnifications of the parties hereto) set forth in the JPA, this Agreement being intended solely to effect the transfer and assignment of certain rights sold and purchased pursuant to and in accordance with the JPA.

7. Notices. Any notice, request or other communication to be given by either party hereunder shall be in writing and shall be sent to the parties and in the manner specified in the Purchase Agreement.

8. Severability. Should any one or more of the provisions hereof be deemed to be invalid or unenforceable said determination shall not affect the validity or enforceability of the remaining terms hereof.

9. Captions. The captions in this Agreement have been inserted for convenience of reference only and shall not be construed to define or to limit any of the terms or conditions hereof.

[Signature Page Follows]

The parties hereto have executed this Agreement as of the Effective Date.

Date: 5/24/23

CITY OF LINCOLN

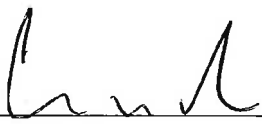
By: 
Sean Scully
City Manager

Approved as to Form:

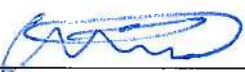
By: 
Kristine Mollenkopf
City Attorney

Date: 5/24/23

**LINCOLN-SMD1 WASTEWATER
AUTHORITY**

By: 
George Barber
General Manager

Approved as to Form:

By: 
Wesley Miliband
LiSWA Counsel

CONSENT

The undersigned consents to the assignment and assumption of the Assumed Contract according to the terms and conditions of this Agreement.

Date: 6/13/2023

Western Placer Waste Management Authority

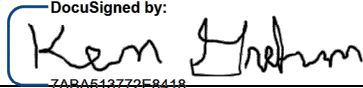
By:  7ABA643772E8418...
Ken Grehm
Executive Director

Exhibit A

Assumed Contract

LEASE AGREEMENT

This Lease Agreement is made and entered into this 14th day of August 2003, by and between the Western Placer Waste Management Authority (hereinafter referred to as "AUTHORITY"), and the City of Lincoln (hereinafter referred to as "LINCOLN").

1. Premises: The AUTHORITY agrees to rent to the LINCOLN, on the terms and conditions hereinafter set forth, and for the rent specified herein, that certain real property described in Exhibit A, attached hereto and incorporated herein by reference, located at 2900 Fiddymment Road, Lincoln, California (hereinafter referred to as the "Premises"). The Premises is comprised generally of: 340 acres; a 2,350 square foot residence and all the buildings and other improvements located thereon.

2. Term: The term shall be for ten (10) years, commencing on August 1 2004, and terminating on the last day of the tenth (10th) lease year. Either party may terminate this Lease Agreement upon Twenty-Four (24) months written notice.

3. Rent: LINCOLN agrees to pay rent for the first year of this Lease Agreement in the amount of the sum of (Thirty Three Thousand, Seven Hundred Fifty Dollars (\$33,750.00)) payable on August 1 each year during the term of this Lease. LINCOLN shall pay rent for each subsequent year of the term in the amount determined according to Section 4.2 below. All rent payments shall be made to: the Western Placer Waste Management Authority, 11474 C Street, Auburn, CA 95603.

Effective on the first day of the second year of this Lease Agreement, and each year thereafter, the rent shall be adjusted in accordance with the State of California, Department of Industrial Relations CONSUMER PRICE INDEX - California, for "ALL URBAN CONSUMERS". All adjustments will be calculated by multiplying the rent by the quotient obtained by dividing the Consumer Price Index for the CPI month of the current year by the Consumer Price Index of the first year of this Lease Agreement. Such CPI month shall be defined as the month that is three (3) months prior to the commencement month of the Lease Agreement.

In the event that the Rent has not been received by the tenth (10th) day of any month in which it becomes due, LINCOLN shall pay to AUTHORITY a Late Charge of Five percent (5%) of the rent, which sum shall be deemed Additional Rent. The parties agree that this sum represents a fair and reasonable estimate of the costs the AUTHORITY may incur by reason of LINCOLN'S late payments. Acceptance of any late charges shall not constitute a waiver of LINCOLN'S default with respect to the past due amount, or prevent AUTHORITY from exercising any other rights or remedies available under this Lease Agreement and as otherwise provided by law.

In addition to the above mentioned Late Charge, interest at the rate of ten percent (10%) per annum shall be assessed on any outstanding amounts owed to the AUTHORITY which become delinquent by thirty (30) days or more. Such interest shall be invoiced to the LINCOLN

by the AUTHORITY and shall become due and payable immediately upon receipt of such invoice by LINCOLN.

5. Security Deposit: LINCOLN shall provide a security deposit in the amount of ten percent (10%) of the rent upon thirty (30) days written notice of request from the AUTHORITY delivered to LINCOLN. AUTHORITY may use therefrom, at any time during the term of this Lease Agreement, such amounts as are reasonably necessary to: remedy LINCOLN'S default in the non-payment of rent, including late charges and interest as provided herein; repair damages caused by LINCOLN or by a guest or invitee of the LINCOLN, or; clean and or repair the Premises, if necessary, at the end of the tenancy. No later than thirty (30) days after LINCOLN has vacated Premises, provided that LINCOLN tendered notice of its intent to vacate as provided herein and, provided that LINCOLN is not otherwise in default under the terms and conditions set forth herein, AUTHORITY shall furnish LINCOLN with an itemized written statement detailing the amount of security received and the disposition of such security and shall return any remaining portion of the security to the LINCOLN. AUTHORITY shall provide written notice and a Fifteen (15) day period to cure by LINCOLN any non-monetary defaults of LINCOLN before AUTHORITY may resort to security deposit to cure such defaults.

6. Utilities: LINCOLN agrees to pay for all utilities and services associated with LINCOLN'S occupancy of the Premises including, but not limited to charges for: electricity, gas, sewer, water, and trash collection services. LINCOLN may utilize well water from existing wells located on the Premises in accordance with all applicable laws and regulations.

7. Condition: LINCOLN has inspected the Premises and accepts same in the as-is condition.

8. Use: LINCOLN shall use the Premises only for lawful uses. LINCOLN shall use the Premises in a manner consistent with all applicable laws and regulations, and shall be solely responsible for obtaining any necessary approvals, entitlements and permits for any proposed use.

9. Proximity to Landfill: LINCOLN acknowledges that the Premises is adjacent to the Western Regional Sanitary Landfill, and understands that the operation of the landfill may result in noise, dust, traffic and odors which may be noticeable at the Premises from time to time. AUTHORITY reserves the right to develop the property to the north of the Premises and LINCOLN acknowledges this right and understands that such development could include uses which generate dust, noise, etc., which could be noticeable from the Premises.

10. Hazardous Materials: LINCOLN shall not use any Hazardous Substance on the Premises without the prior written authorization from AUTHORITY. LINCOLN shall be responsible for all costs incurred in complying with any order, ruling or other requirement of any court or governmental body or agency having jurisdiction over the Premises which requires LINCOLN to comply with any local, State, and Federal laws, regulations, guidelines, codes or ordinances which relate to said Hazardous Substance which was created, handled, placed, stored, used transported or disposed on the premises by Lincoln. The costs shall include, without

limitation, the cost of any required or necessary repair, and/or cleanup or detoxification in the preparation of any closure or other required plan.

"Hazardous Substances" for purposes of this Lease shall be interpreted broadly to include any material or substance that is defined or classified under federal, state or local laws as: (i) a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14), Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, as now or hereafter amended; (ii) a "hazardous waste" pursuant to Health and Safety Code section 25141 and regulations adopted thereunder, or pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6903, 6921, as now or hereafter amended; (iii) a toxic pollutant under Section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(a)(1); (iv) a "hazardous air pollutant" under Section 112 of the Clean Air Act, 42 U.S.C. § 7412, as now or hereafter amended; (v) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. § 1802(4), as now or hereafter amended; (vi) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; (vii) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances or regulations, as now or as may be passed or promulgated in the future; and (viii) any substance that after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer or genetic abnormalities.

LINCOLN shall indemnify, defend and hold AUTHORITY, its directors, officers, employees and agents harmless from and against any and all claims, judgements, damages, penalties, fines, costs, liabilities or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees) caused by, arising out of or related to (1) the breach of any representation, warranty or covenant of LINCOLN contained herein, or (2) Hazardous Substance in, on or about the Premises which was created, handled, placed, stored, used, transported or disposed of by LINCOLN, or (3) any such Hazardous Substance which was created, handled, placed, stored, used, transported or disposed on the premises by Lincoln with respect to which any court or governmental body or agency having jurisdiction over the Premises holds LINCOLN to undertake any repair, cleanup, detoxification or other remedial action, excluding Hazardous Substances on the Premises established to have been caused directly by AUTHORITY'S use of the Premises.

By initialing this Section and by execution of this Lease Agreement, LINCOLN acknowledges and agrees to adhere to the requirement to inform AUTHORITY of any generation, storage, use, treatment or disposal of any Hazardous Substances in and/or on the Premises.

LINCOLN'S INITIALS 

11. Maintenance: LINCOLN agrees to keep the Premises in good neat order and condition and to pay for any and all repairs to damage to the Premises caused by the negligence or misuse of the premises by the LINCOLN or its invitees. LINCOLN shall be responsible for

all ordinary and routine maintenance of the Premises including, but not limited to, all structures, roads and landscaped areas.

12. Monitoring Wells: LINCOLN acknowledges the presence of monitoring wells owned by AUTHORITY on the Premises. AUTHORITY shall be entitled to install, maintain and inspect monitoring wells and associated equipment on the Premises as AUTHORITY may deem necessary. LINCOLN shall be solely responsible for repairs to any damage to AUTHORITY'S monitoring wells and associated equipment arising from LINCOLN'S use of the Premises and from damages to AUTHORITY'S monitoring wells caused by LINCOLN or its invitees. AUTHORITY reserves the right to access said monitoring wells at any reasonable time.

13. Improvements: LINCOLN may make additions, alterations or improvements to the Premises without obtaining the prior written consent of AUTHORITY provided such work is performed in accordance with all applicable laws and regulations and in accordance with such permits from the applicable governmental authorities as may be necessary. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel and such work shall be diligently prosecuted to completion.

All equipment and other personal property which LINCOLN uses, installs or locates on the Premises prior to or during the term, whether or not the law deems it to be part of the realty, shall remain LINCOLN's sole property and shall be removed by LINCOLN upon termination.

14. Insurance: Concurrent with the execution of this Lease Agreement, LINCOLN shall at its sole expense acquire, and keep in force during the term of this Lease Agreement, general liability insurance for bodily injury, personal injury and property damage to protect AUTHORITY against any liability incidental to the use of the Premises or resulting from any accident, injury or death occurring in or about the Premises. Liability insurance coverage shall be not less than Five Million Dollars (\$5,000,000.00) per occurrence and in the aggregate. The policy providing such insurance shall name the Western Placer Waste Management Authority, its officers, employees and or agents as an additional insured and shall contain a standard cross-liability endorsement. This shall be stated on the face of the Certificate of Insurance in addition to the address of the Premises and the term of the policy.

LINCOLN currently maintains, through its participation with a consortium of other public entities, a policy or policies of general liability insurance protecting itself against claims for bodily injury and property damage based upon, involving or arising out of activities of LINCOLN. LINCOLN represents that such insurance will apply to the activities of LINCOLN under this Lease and to the indemnity obligations of LINCOLN hereunder and that such insurance is on an occurrence basis and provides single limit coverage in an amount not less than \$5,000,000 per occurrence and in the aggregate.

LINCOLN shall within 30 days of the expiration of any insurance policy procure a new policy or renew the same policy to provide insurance coverage for the entire term of this Lease Agreement.

Both parties agree to waive any right of subrogation which they may or their insurer may have against the other, provided such waiver of subrogation can be accomplished without prejudice to the insured's rights and without extra expense, unless any such extra expense is paid by the other party.

15. Indemnification: LINCOLN shall indemnify and hold AUTHORITY harmless from and defend AUTHORITY from any and all claims of liability for any injury, damage, or death to any persons or property occurring in, on or about the Premises when such injury, damage, or death may be caused in part or whole by the act, negligence, default or omission of any duty with respect for the same by LINCOLN or its agents, contractors or invitees in its use of the Premises. LINCOLN shall further indemnify and hold AUTHORITY harmless from and against any and all claims arising from any breach or default in the performance of any obligation on LINCOLN'S part to be performed under the terms of this Lease Agreement, or arising from any act or negligence of LINCOLN, or its agents, contractors or invitees, from and against all costs, attorney fees, expenses and liabilities incurred in the defense in any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against AUTHORITY by reason of such claim, LINCOLN, upon notice from AUTHORITY shall defend the same at LINCOLN'S expense by counsel reasonably satisfactory to AUTHORITY. LINCOLN shall not be liable for any damage or injury occasioned by the negligence or intentional acts of AUTHORITY and its designated agents or employees.

To the extent that the claim arises out of an act that occurs during the term of this lease Agreement, this obligation shall survive termination of this Lease Agreement.

16. Entry: Upon not less than twenty four (24) hours notice, LINCOLN shall make the Premises available to the AUTHORITY or its authorized agent or representative for the purpose of entering to perform testing and other activities related to landfill permitting and operations. In the event of an emergency, the AUTHORITY, or its authorized agents or representatives, may enter the Premises at any time, by force if necessary, without the consent of LINCOLN.

17. Assignment and Subletting: This Lease Agreement and the rights and duties hereunder shall not be assigned, either in whole or in part, nor shall the property or any portion thereof be sublet without prior written consent of AUTHORITY.

18. Default: In the event that any rent shall be due hereunder and remain unpaid, or if LINCOLN shall default and breach any other term or condition of this Lease Agreement, or in the event that the LINCOLN abandons the Premises, the AUTHORITY may, after providing proper notice as required by law, re-enter the premises and remove any property and any and all persons therefrom in the manner allowed by law. The AUTHORITY may, at its option, either maintain this Lease Agreement in full force and effect and recover the rent and any other charges as provided herein as they become due or, in the alternative, terminate this Lease Agreement. In addition, the AUTHORITY reserves the right to recover all rentals and any other damages and pursue any other rights and remedies which the AUTHORITY may have against the LINCOLN by reason of such defaults as provided by law.

19. Damage and Destruction of Premises: In the event that the Premises or any substantial portion thereof is by mutual determination rendered useless for LINCOLN's purpose during the term of this Lease Agreement, this Lease Agreement shall be terminated.

In the event that the Premises are damaged and, by mutual determination, such damage is deemed reparable, AUTHORITY shall forthwith make any repairs required to remedy such damage. If the AUTHORITY fails to commence such repairs within ninety (90) days after the date of the damage, LINCOLN may elect to terminate this Lease Agreement by written notice to AUTHORITY. Such notice must be given prior to commencement of said repairs. In the event that such destruction and subsequent repairs shall interfere with the occupancy or use of the Premises by LINCOLN, LINCOLN shall be entitled to a proportionate reduction in the minimum rent herein.

20. Holding Over: Any holding over after the expiration of the term of this Lease Agreement, with or without the consent of the AUTHORITY, shall be construed to be a tenancy from month to month upon the terms and conditions as existed during the last year of the term hereof excepting the rent, which shall be increased by Ten percent (10%). Said term shall be cancelable upon thirty (30) days written notice by either party, and In no case shall such holding over operate to renew this Lease Agreement without the written consent of the AUTHORITY.

21. Attorney Fees: In any action or proceeding arising out of this Lease Agreement, each party shall be responsible for its own legal costs.

22. Waiver: No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition.

The receipt and acceptance by AUTHORITY of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

AUTHORITY'S consent to or approval of any act by LINCOLN requiring AUTHORITY'S consent or approval shall not be deemed to waive or render unnecessary AUTHORITY'S consent to, or approval of, any subsequent act by LINCOLN. The waiver of any breach of any term or covenant of this Lease Agreement shall not be construed to be a continuing or future waiver of any subsequent breach.

24. Notices: Any and all notices required to be sent hereunder may be given by U.S. Mail, postage prepaid, or hand delivered as follows:

AUTHORITY: Western Placer Waste Management Authority
c/o: Placer County Department of Facility Services
Property Management Division
11476 C Avenue
Auburn, CA 95603

LINCOLN: Mr. John Pedri, Director
Public Works Department
City of Lincoln
640 Fifth St., 2nd Floor
Lincoln, CA 95648

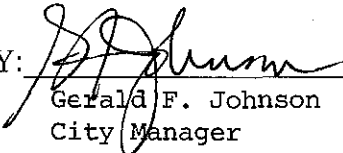
25. Legal Jurisdiction: This Lease Agreement is subject to the laws and jurisdiction of the State of California. In the event that any court action should be brought in conjunction with this Lease Agreement, it shall be subject to interpretation under the laws of the State of California and, notwithstanding Code of Civil Procedure section 394, any legal proceedings shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California.

26. Time is of the Essence: Time is of the essence as it pertains to the terms and conditions set forth in this Lease Agreement.

27. All Terms Included: This Lease Agreement contains all the terms and conditions agreed upon by the parties hereto and no other agreements regarding the subject matter of this Lease Agreement shall be deemed to exist or to bind either of the parties hereto. All properly executed and written supplemental agreements, addendum, or exhibits shall be added to and made a part of this Lease Agreement. In the event of a conflict of meaning or interpretation between the original Lease Agreement and the terminology of said additions, the latter shall prevail.

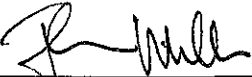
IN WITNESS WHEREOF, the AUTHORITY and LINCOLN have hereunto subscribed their names, the day and year in this indenture shown below.

LINCOLN:

BY: 
Gerald F. Johnson
City Manager

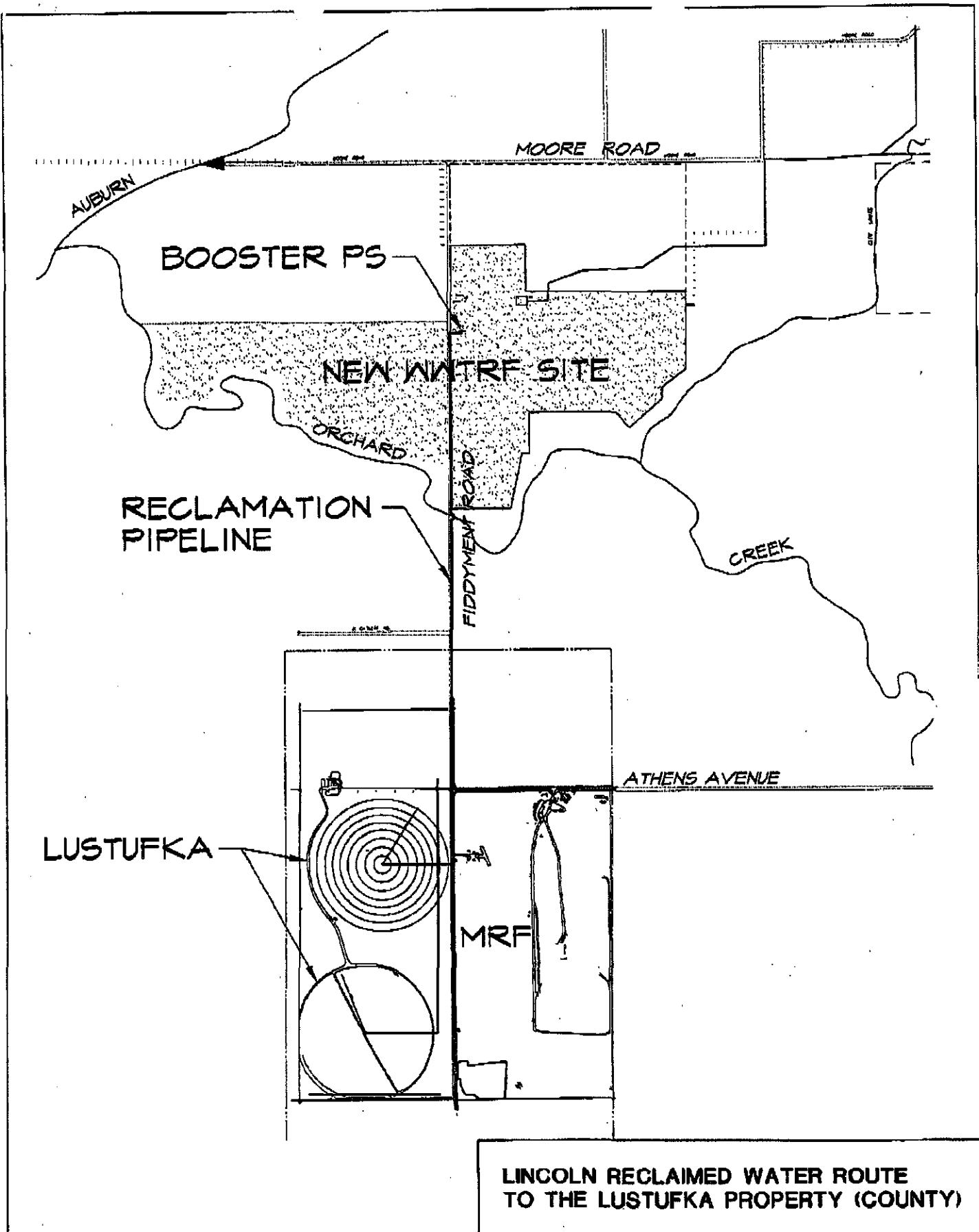
DATE: 7/30/03

AUTHORITY:

BY: 

DATE: 11/20/03

ATTACHMENT “A”



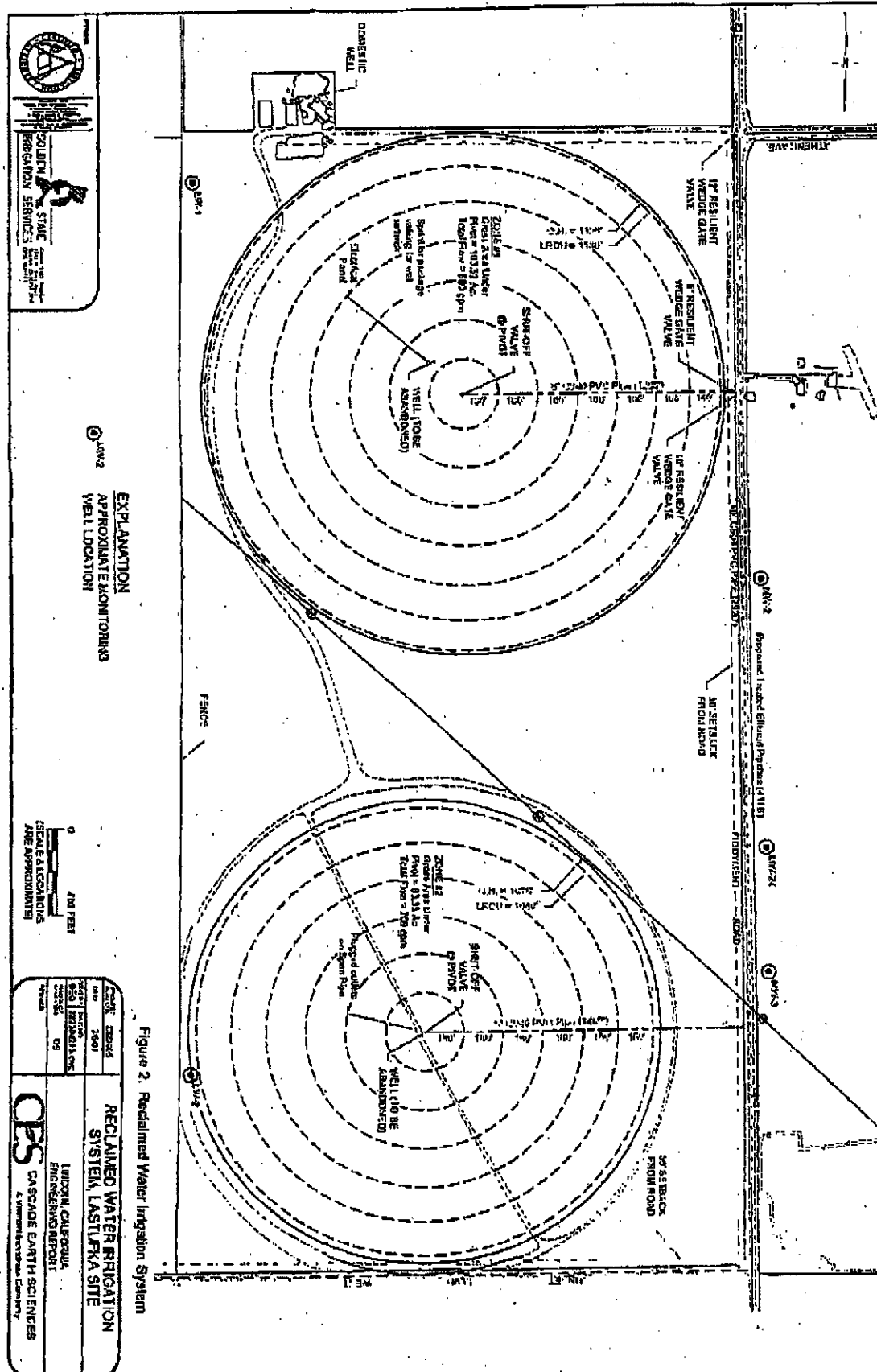


Figure 2. Reclaimed Water Irrigation System



PROJECT NUMBER: 2223042		RECLAIMED WATER IRRIGATION SYSTEM, LASTUFKA SITE	
DATE: 12/20/02			
DWG BY: DEO	DWG NO: 2223042F1	LINCOLN, CALIFORNIA PRELIMINARY DESIGN LAND APPLICATION PROJECT	
PROJECT MANAGER: DB			
REVISED:			
		 CASCADE EARTH SCIENCES A Valmont Industries Company	

ATTACHMENT “B”

Attachment

Description of Leased Property

The property consists of the southern portions of the WPWMA property bordered by Fiddymen Road on the east and West Sunset on the south, comprising approximately 320 acres. The property is generally depicted on the attached aerial photograph, with the northern boundary being 100' north of the existing driveway and buildings as shown.

The Leased Property includes all the real property and improvements existing as of the effective date of the lease.



LEASE AGREEMENT

This Lease Agreement is made and entered into this 14th day of August 2003, by and between the Western Placer Waste Management Authority (hereinafter referred to as "AUTHORITY"), and the City of Lincoln (hereinafter referred to as "LINCOLN").

1. Premises: The AUTHORITY agrees to rent to the LINCOLN, on the terms and conditions hereinafter set forth, and for the rent specified herein, that certain real property described in Exhibit A, attached hereto and incorporated herein by reference, located at 2900 Fiddymment Road, Lincoln, California (hereinafter referred to as the "Premises"). The Premises is comprised generally of: 340 acres; a 2,350 square foot residence and all the buildings and other improvements located thereon.

2. Term: The term shall be for ten (10) years, commencing on August 1 2004, and terminating on the last day of the tenth (10th) lease year. Either party may terminate this Lease Agreement upon Twenty-Four (24) months written notice.

3. Rent: LINCOLN agrees to pay rent for the first year of this Lease Agreement in the amount of the sum of (Thirty Three Thousand, Seven Hundred Fifty Dollars (\$33,750.00)) payable on August 1 each year during the term of this Lease. LINCOLN shall pay rent for each subsequent year of the term in the amount determined according to Section 4.2 below. All rent payments shall be made to: the Western Placer Waste Management Authority, 11474 C Street, Auburn, CA 95603.

Effective on the first day of the second year of this Lease Agreement, and each year thereafter, the rent shall be adjusted in accordance with the State of California, Department of Industrial Relations CONSUMER PRICE INDEX - California, for "ALL URBAN CONSUMERS". All adjustments will be calculated by multiplying the rent by the quotient obtained by dividing the Consumer Price Index for the CPI month of the current year by the Consumer Price Index of the first year of this Lease Agreement. Such CPI month shall be defined as the month that is three (3) months prior to the commencement month of the Lease Agreement.

In the event that the Rent has not been received by the tenth (10th) day of any month in which it becomes due, LINCOLN shall pay to AUTHORITY a Late Charge of Five percent (5%) of the rent, which sum shall be deemed Additional Rent. The parties agree that this sum represents a fair and reasonable estimate of the costs the AUTHORITY may incur by reason of LINCOLN'S late payments. Acceptance of any late charges shall not constitute a waiver of LINCOLN'S default with respect to the past due amount, or prevent AUTHORITY from exercising any other rights or remedies available under this Lease Agreement and as otherwise provided by law.

In addition to the above mentioned Late Charge, interest at the rate of ten percent (10%) per annum shall be assessed on any outstanding amounts owed to the AUTHORITY which become delinquent by thirty (30) days or more. Such interest shall be invoiced to the LINCOLN

by the AUTHORITY and shall become due and payable immediately upon receipt of such invoice by LINCOLN.

5. Security Deposit: LINCOLN shall provide a security deposit in the amount of ten percent (10%) of the rent upon thirty (30) days written notice of request from the AUTHORITY delivered to LINCOLN. AUTHORITY may use therefrom, at any time during the term of this Lease Agreement, such amounts as are reasonably necessary to: remedy LINCOLN'S default in the non-payment of rent, including late charges and interest as provided herein; repair damages caused by LINCOLN or by a guest or invitee of the LINCOLN, or; clean and or repair the Premises, if necessary, at the end of the tenancy. No later than thirty (30) days after LINCOLN has vacated Premises, provided that LINCOLN tendered notice of its intent to vacate as provided herein and, provided that LINCOLN is not otherwise in default under the terms and conditions set forth herein, AUTHORITY shall furnish LINCOLN with an itemized written statement detailing the amount of security received and the disposition of such security and shall return any remaining portion of the security to the LINCOLN. AUTHORITY shall provide written notice and a Fifteen (15) day period to cure by LINCOLN any non-monetary defaults of LINCOLN before AUTHORITY may resort to security deposit to cure such defaults.

6. Utilities: LINCOLN agrees to pay for all utilities and services associated with LINCOLN'S occupancy of the Premises including, but not limited to charges for: electricity, gas, sewer, water, and trash collection services. LINCOLN may utilize well water from existing wells located on the Premises in accordance with all applicable laws and regulations.

7. Condition: LINCOLN has inspected the Premises and accepts same in the as-is condition.

8. Use: LINCOLN shall use the Premises only for lawful uses. LINCOLN shall use the Premises in a manner consistent with all applicable laws and regulations, and shall be solely responsible for obtaining any necessary approvals, entitlements and permits for any proposed use.

9. Proximity to Landfill: LINCOLN acknowledges that the Premises is adjacent to the Western Regional Sanitary Landfill, and understands that the operation of the landfill may result in noise, dust, traffic and odors which may be noticeable at the Premises from time to time. AUTHORITY reserves the right to develop the property to the north of the Premises and LINCOLN acknowledges this right and understands that such development could include uses which generate dust, noise, etc., which could be noticeable from the Premises.

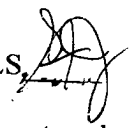
10. Hazardous Materials: LINCOLN shall not use any Hazardous Substance on the Premises without the prior written authorization from AUTHORITY. LINCOLN shall be responsible for all costs incurred in complying with any order, ruling or other requirement of any court or governmental body or agency having jurisdiction over the Premises which requires LINCOLN to comply with any local, State, and Federal laws, regulations, guidelines, codes or ordinances which relate to said Hazardous Substance which was created, handled, placed, stored, used transported or disposed on the premises by Lincoln. The costs shall include, without

limitation, the cost of any required or necessary repair, and/or cleanup or detoxification in the preparation of any closure or other required plan.

"Hazardous Substances" for purposes of this Lease shall be interpreted broadly to include any material or substance that is defined or classified under federal, state or local laws as: (i) a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14), Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, as now or hereafter amended; (ii) a "hazardous waste" pursuant to Health and Safety Code section 25141 and regulations adopted thereunder, or pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6903, 6921, as now or hereafter amended; (iii) a toxic pollutant under Section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(a)(1); (iv) a "hazardous air pollutant" under Section 112 of the Clean Air Act, 42 U.S.C. § 7412, as now or hereafter amended; (v) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. § 1802(4), as now or hereafter amended; (vi) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; (vii) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances or regulations, as now or as may be passed or promulgated in the future; and (viii) any substance that after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer or genetic abnormalities.

LINCOLN shall indemnify, defend and hold AUTHORITY, its directors, officers, employees and agents harmless from and against any and all claims, judgements, damages, penalties, fines, costs, liabilities or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees) caused by, arising out of or related to (1) the breach of any representation, warranty or covenant of LINCOLN contained herein, or (2) Hazardous Substance in, on or about the Premises which was created, handled, placed, stored, used, transported or disposed of by LINCOLN, or (3) any such Hazardous Substance which was created, handled, placed, stored, used, transported or disposed on the premises by Lincoln with respect to which any court or governmental body or agency having jurisdiction over the Premises holds LINCOLN to undertake any repair, cleanup, detoxification or other remedial action, excluding Hazardous Substances on the Premises established to have been caused directly by AUTHORITY'S use of the Premises.

By initialing this Section and by execution of this Lease Agreement, LINCOLN acknowledges and agrees to adhere to the requirement to inform AUTHORITY of any generation, storage, use, treatment or disposal of any Hazardous Substances in and/or on the Premises.

LINCOLN'S INITIALS, 

11. Maintenance: LINCOLN agrees to keep the Premises in good neat order and condition and to pay for any and all repairs to damage to the Premises caused by the negligence or misuse of the premises by the LINCOLN or its invitees. LINCOLN shall be responsible for

all ordinary and routine maintenance of the Premises including, but not limited to, all structures, roads and landscaped areas.

12. Monitoring Wells: LINCOLN acknowledges the presence of monitoring wells owned by AUTHORITY on the Premises. AUTHORITY shall be entitled to install, maintain and inspect monitoring wells and associated equipment on the Premises as AUTHORITY may deem necessary. LINCOLN shall be solely responsible for repairs to any damage to AUTHORITY'S monitoring wells and associated equipment arising from LINCOLN'S use of the Premises and from damages to AUTHORITY'S monitoring wells caused by LINCOLN or its invitees. AUTHORITY reserves the right to access said monitoring wells at any reasonable time.

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LINCOLN shall within 30 days of the expiration of any insurance policy procure a new policy or renew the same policy to provide insurance coverage for the entire term of this Lease Agreement.

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16. Entry: Upon not less than twenty four (24) hours notice, LINCOLN shall make the Premises available to the AUTHORITY or its authorized agent or representative for the purpose of entering to perform testing and other activities related to landfill permitting and operations. In the event of an emergency, the AUTHORITY, or its authorized agents or representatives, may enter the Premises at any time, by force if necessary, without the consent of LINCOLN.

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19. Damage and Destruction of Premises: In the event that the Premises or any substantial portion thereof is by mutual determination rendered useless for LINCOLN's purpose during the term of this Lease Agreement, this Lease Agreement shall be terminated.

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21. Attorney Fees: In any action or proceeding arising out of this Lease Agreement, each party shall be responsible for its own legal costs.

22. Waiver: No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition.

The receipt and acceptance by AUTHORITY of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

AUTHORITY'S consent to or approval of any act by LINCOLN requiring AUTHORITY'S consent or approval shall not be deemed to waive or render unnecessary AUTHORITY'S consent to, or approval of, any subsequent act by LINCOLN. The waiver of any breach of any term or covenant of this Lease Agreement shall not be construed to be a continuing or future waiver of any subsequent breach.

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AUTHORITY: Western Placer Waste Management Authority
 c/o: Placer County Department of Facility Services
 Property Management Division
 11476 C Avenue
 Auburn, CA 95603

LINCOLN: Mr. John Pedri, Director
Public Works Department
City of Lincoln
640 Fifth St., 2nd Floor
Lincoln, CA 95648

25. Legal Jurisdiction: This Lease Agreement is subject to the laws and jurisdiction of the State of California. In the event that any court action should be brought in conjunction with this Lease Agreement, it shall be subject to interpretation under the laws of the State of California and, notwithstanding Code of Civil Procedure section 394, any legal proceedings shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California.

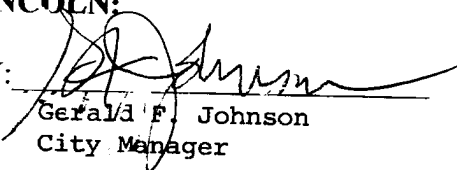
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27. All Terms Included: This Lease Agreement contains all the terms and conditions agreed upon by the parties hereto and no other agreements regarding the subject matter of this Lease Agreement shall be deemed to exist or to bind either of the parties hereto. All properly executed and written supplemental agreements, addendum, or exhibits shall be added to and made a part of this Lease Agreement. In the event of a conflict of meaning or interpretation between the original Lease Agreement and the terminology of said additions, the latter shall prevail.

IN WITNESS WHEREOF, the AUTHORITY and LINCOLN have hereunto subscribed their names, the day and year in this indenture shown below.

LINCOLN:

BY:

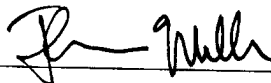

Gerald F. Johnson
City Manager

DATE:

7/30/03

AUTHORITY:

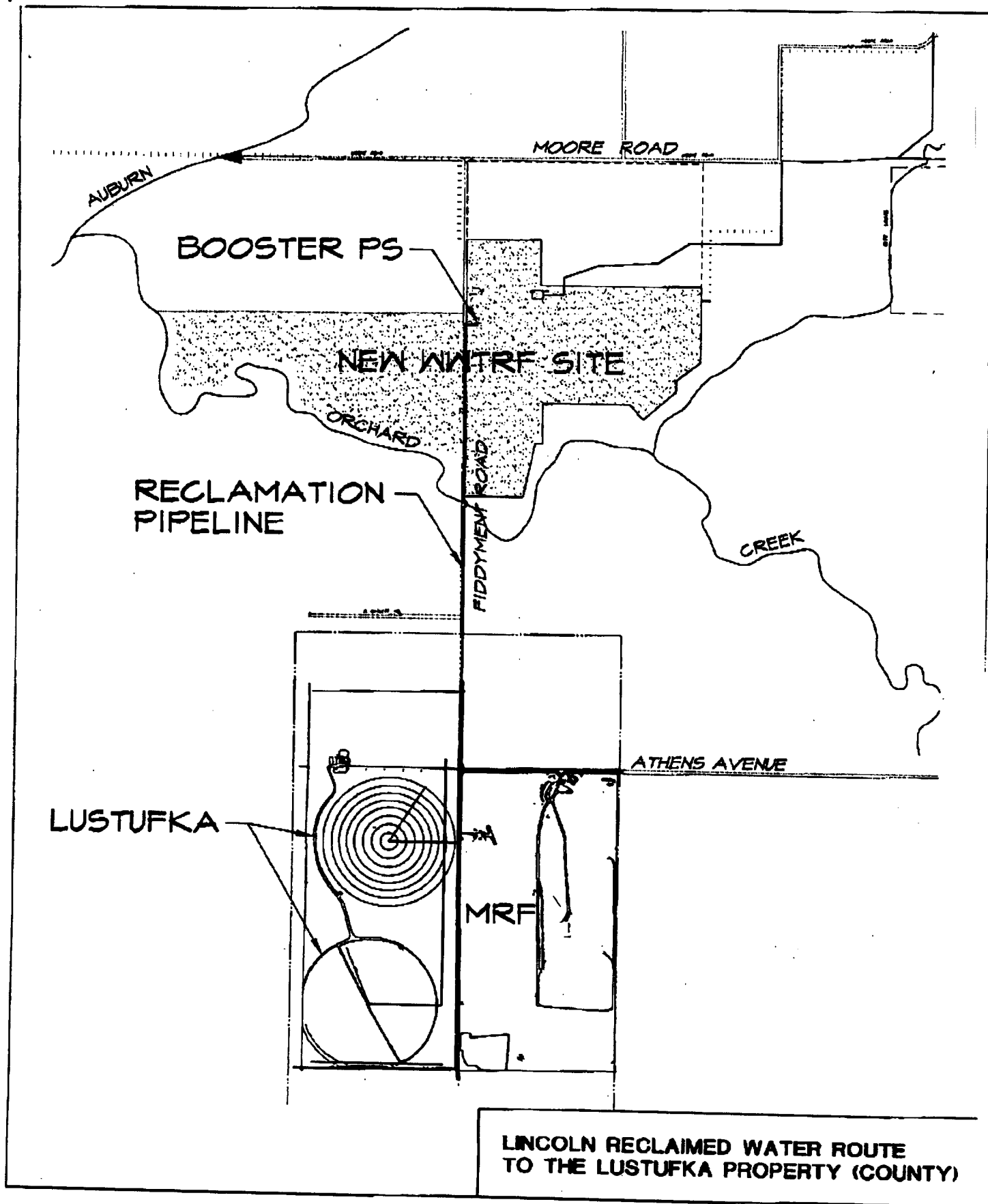
BY:



DATE:

11/20/03

ATTACHMENT “A”



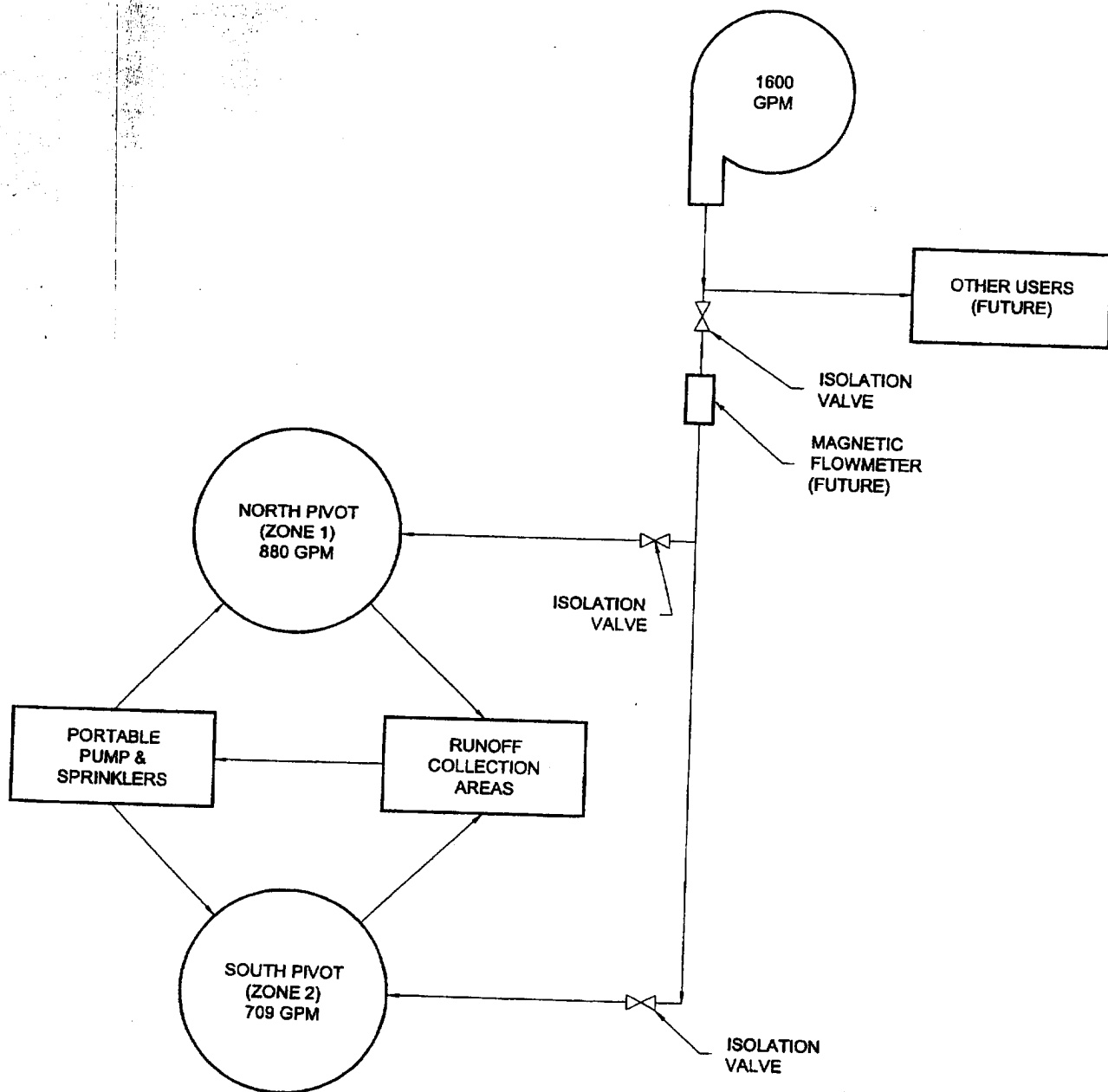
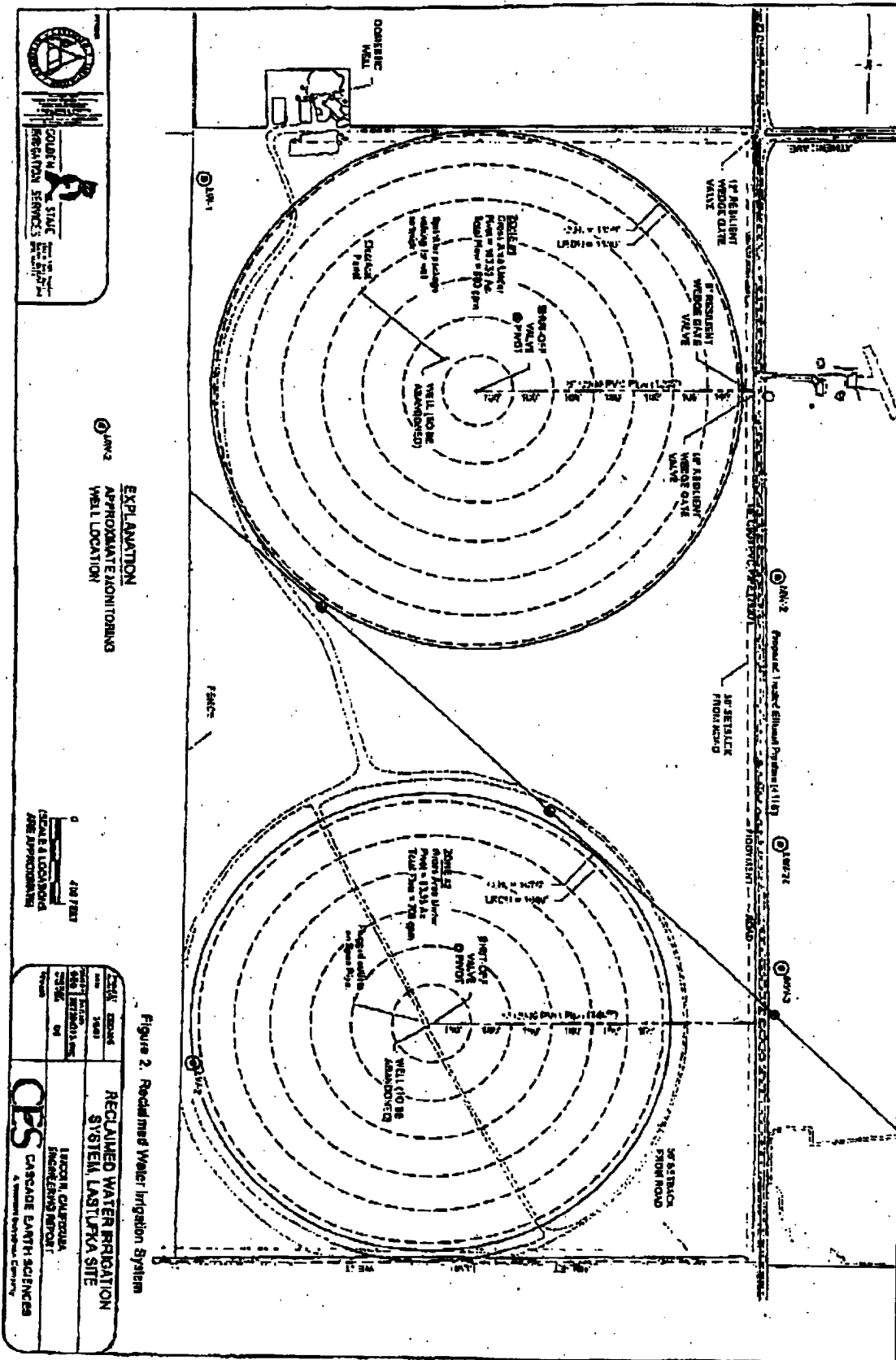


Figure 1. Process Flow Diagram

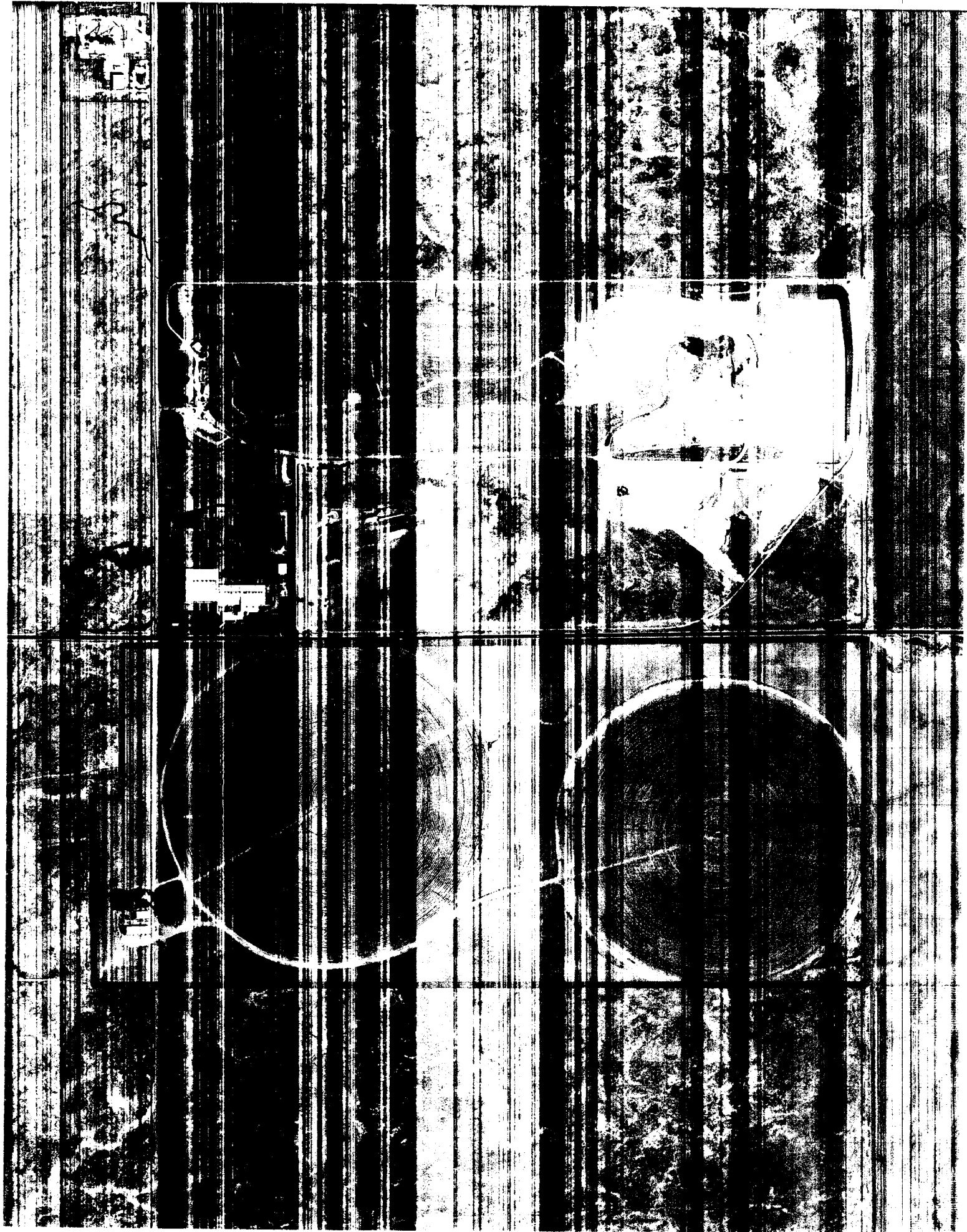
PROJECT NUMBER: 2223042		RECLAIMED WATER IRRIGATION SYSTEM, LASTUFKA SITE	
DATE: 12/20/02			
DWG BY: DEO	DWG NO: 2223042F1	LINCOLN, CALIFORNIA PRELIMINARY DESIGN LAND APPLICATION PROJECT	
PROJECT MANAGER: DB			
REVISED:		CES CASCADE EARTH SCIENCES A Valmont Industries Company	



RECLAIMED WATER IRRIGATION
SYSTEM, LAST VFA SITE

LEACH, CARPENA
ENGINEERING REPORT

CPS
CASCADIA EARTH SCIENCES



Attachment

Description of Leased Property

The property consists of the southern portions of the WPWMA property bordered by Fiddymont Road on the east and West Sunset on the south, comprising approximately 320 acres. The property is generally depicted on the attached aerial photograph, with the northern boundary being 100' north of the existing driveway and buildings as shown.

The Leased Property includes all the real property and improvements existing as of the effective date of the lease.

ECOLOGIC

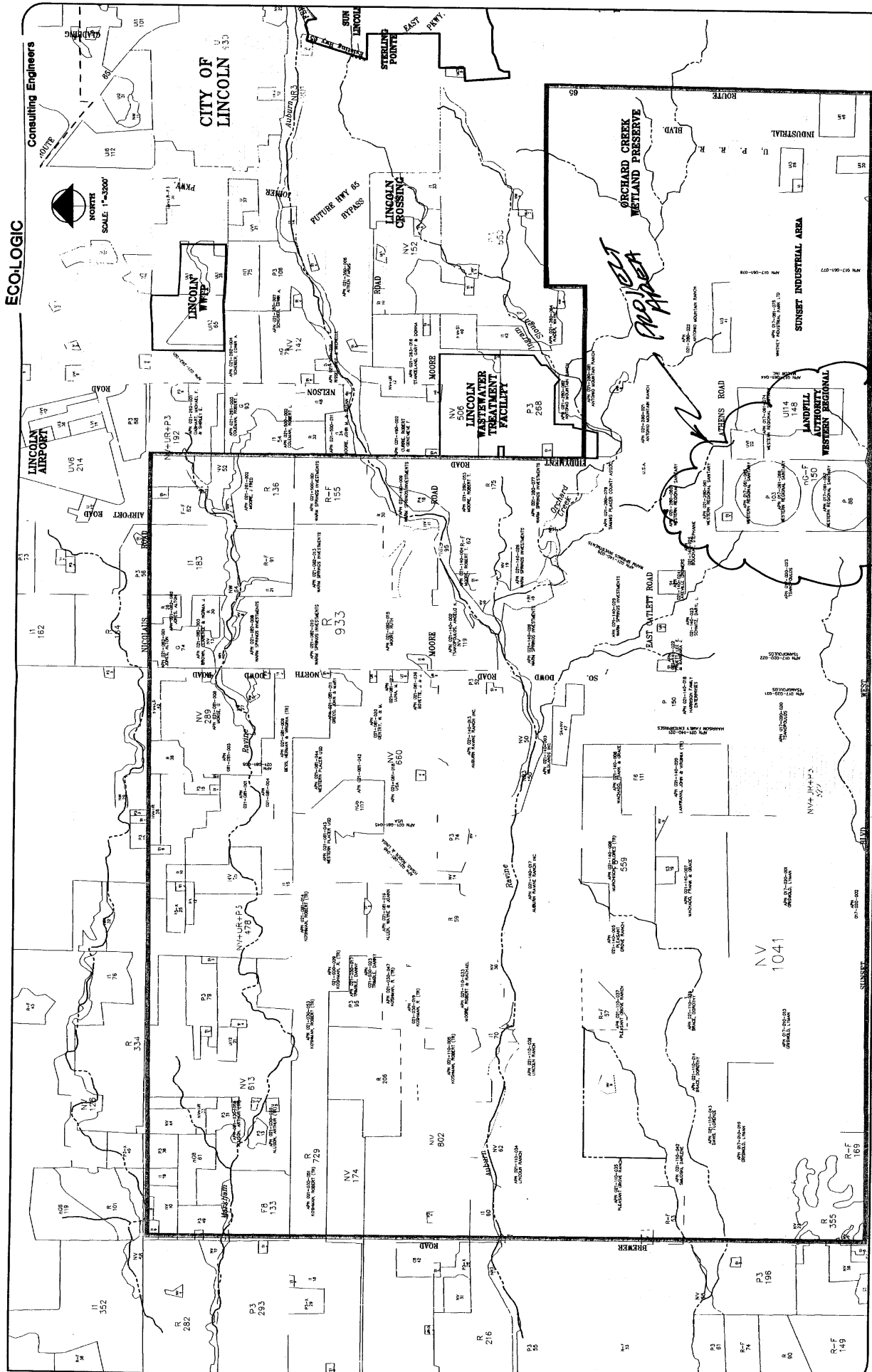


Figure 5-1. Agricultural Land Use Map

FIELD CROP (F)

GRASS & HAY (G)

PASTURE (P)

RISE FIELDS (R)

STUDY AREA BOUNDARY

ROUTE

WATER

WETLAND

INDUSTRIAL

RESIDENTIAL

Principals

David R. Bennett
Charles G. Bunker
Frederic J. Fahlen
Jeffrey R. Hauser
Richard E. Stowell

June 24, 2003

Mr. Pat Lam
State Water Resources Control Board
Division of Financial Assistance
1001 I Street
16th Floor
Sacramento, CA 95814

Re: Project Milestones
Use Agreement
Developer/Agency Agreements.

Dear Mr. Lam,

Per your request, please find included herein a summary of the anticipated milestone dates for the reclamation projects for the City of Lincoln. Notice that each reclamation component is listed separately, but that each has the same milestone dates. It was originally thought that they would have different construction schedules, however, at this time, all the project schedules have been synchronized.

The Use Agreement between the City of Lincoln and Placer County has been completed. However, it is awaiting approval by Council of the Municipal Recovery Facility (who's land we'll be using for reclamation). Their next meeting is the first week of July. There are no anticipated complications expected on this matter, and I will send you a copy of the Use Agreement soon as possible after its formal approval.

*Western Placer
Waste Management
Authority*

Because a developer will be constructing the reclamation projects on behalf of the City but the grant application is from the City, you informed me that a formal agreement was required between the City and the developer stating that all the grant requirements will be met. This agreement must also be presented to the SWRCB's Chief of Water Recycling. You mentioned that you might have a sample of a formal agreement that we can adapt. If so, could you send it to me at your earliest convenience. The City will enter the agreement with the developer and provide it to you as soon as possible.

Mr. Pat Lam

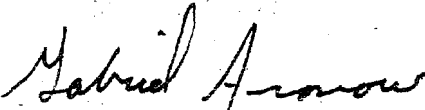
June 24, 2003

Page 2

And last, I would like some clarification on the requirement that the City receive a copy of the contractor's monthly bills for forwarding, approval and payment of grant funds by the SWRCB within a designated amount of time of the bill's submission to the developer. I believe you told me the designated amount of time is 2 weeks or 30 days. Please verify this requirement.

If you have any questions regarding the details of Lincoln's projects or need additional information or documentation call me at 916-773-8100.

Sincerely,



Gabriel Aronow, P.E.

ECO:LOGIC Engineering

CC: John Pedri, City of Lincoln

Mr. Pat Lam
June 24, 2003
Attachment

Project Milestones

This approval is based on substantially meeting the following schedule:

<u>Item</u>	<u>Dates</u>		
Project Component	Distribution Pipeline	Irrigation Improvements	Reclamation Pumping
Submit Final Plans, Specifications and Engineer's Estimate	August 1, 2003	August 1, 2003	August 1, 2003
Advertise for Bids	August 31, 2003	August 31, 2003	August 31, 2003
Open Bids	October 31, 2003	October 31, 2003	October 31, 2003
Start Construction	November 1, 2003	November 1, 2003	November 1, 2003
Completion of Construction	May 1, 2004	May 1, 2004	May 1, 2004
Submit final Project Summary Report, Final Revenue Program, Final Financial Report and Final Payment Request	May 30, 2004	May 30, 2004	May 30, 2004

Principals

David R. Bennett
Charles G. Bunker
Frederic J. Fahlen
Jeffrey R. Hauser
Richard E. Stowell

MEMORANDUM

TO: Charlie Bunker

FROM: Harold Welborn



SUBJECT: Project Overview – Lastufka/WPWMA Reclaimed Water Use
Job No. 00211.CA.24 (previous 00211.CA.04)

DATE: July 29, 2002

This memo is a brief chronology of our effort to secure the WPWMA expansion property as a Lincoln WWTRF effluent disposal area in satisfaction of Del Webb's project requirement. The initial "Supplemental Scope of Work" was attached to the 90224 Reclamation Study. The supplemental scope of work dated June 26, 2001 is attached. Initially, a \$9,000 budget was authorized by Del Webb to complete a feasibility assessment for conveying and applying reclaimed water on the property together with developing a draft lease agreement.

I could think of no better way to provide background info regarding what turned out to be a very protracted process, which could not have been anticipated at the time we initiated the effort, more than a year ago. To date, ECO:LOGIC has incurred costs totaling over \$19,000 directly related to the attempt to secure a lease agreement for the "Lastufka" property. Over the next four or six months I expect that an additional \$10,000 will be required to finalize the lease agreement between the City and the WPWMA and between the City and the farmer (Lastufka or other) who will use the reclaimed on the site.

Work has progressed in accordance with the following chronology:

June-August 2001 - Initial discussions with Del Webb's Mark Carey clarified their input into the process of securing the "Lastufka" land for disposal purposes. Mark said that they would be taking a back seat this time and would be relying on the City and ECO:LOGIC to get it done. Most of the coordination between Del Webb and E:L occurred at the project coordination meetings in the E:L conference room, when I was asked to attend and provide an update. First such meeting was on June 21, 2001. At this meeting it was emphasized that this additional land was very important to the City and Del Webb. There was a desire to have use of the land by May 2002.

Initial contacts with WPWMA determined that they would allow us to approach the Lastufkas, but did not want to be forced to "revisit" their current lease agreement with Lastufkas.

Early efforts in June, July and August included several site visits to the Lastufkas farming operation and investigation into the potential conversion of the center pivot irrigation

Lastufka Overview

July 29, 2002

Page 2

equipment from well water to reclaimed (Valmont Irrigation, equipment manufacturer and Cascade Earth Sciences, a Valmont company that specializes in reuse of municipal reclaimed effluent for irrigation).

The WWTRF design team incorporated the reclaimed effluent pumping and transmission facilities required for Lastufka conversion to the use of reclaimed water.

August 2001 – We were requested to follow up with the Golden State Golf Associations, Inc on their proposal to provide a disposal option for the City as part of their plans for a golfing facility in the general vicinity of the WWTRF.

September 2001 – Developed Options for delivering reclaimed water to the Lastufka site and a draft “Agreement for irrigation with treated effluent”. Distributed copies of documents to City, WPWMA, Lastufka and Del Webb in early October. Subsequent work was expected to be minimal in receiving County (for WPWMA) comments on the draft agreement.

October 2001 - The City received a permit to discharge effluent from the existing WWTP to Auburn Ravine, which reduced the urgency of needing the Lastufka site.

October to December 2001 - ECO:LOGIC had completed the initial assignment of a feasibility assessment authorized by Del Webb for \$9,000. Despite numerous attempts, including a meeting among City and County representatives (Pedri, Welborn, Bunker, Miller and Durfee), no response was forthcoming from Placer County (for WPWMA) until December 3, 2001.

January 2002 – Important meeting between City of Lincoln (Storz, Johnson, Pedri), WPWMA (Weygandt, Miller, Durfee), Welborn and Buckle. Two key issues brought up by County that were not previously made known: (1) impact of reduced groundwater pumping on the water table below the landfill, and (2) the need for CEQA document for use of reclaimed on the expansion property (Lastufka site).

February 2002 – Provided Lastufka with draft agreement and Memorandum from WPWMA for review.

March 2002 – Contrary to previous verbal acceptance of the reclamation reuse concept, Lastufkas provide first solid feedback (in writing) of their concerns and reluctance to convert to reclaimed in a meeting with Welborn. Memo to Pedri summarizing their concerns and how the City can address their concerns.

March 2002 – Solicited and received proposal from Cascade Earth Sciences for the evaluation of center pivots for conversion to reclaimed. Using the groundwater monitoring data from the landfill, prepared a Preliminary Groundwater Evaluation at WPWMA Landfill.

Lastufka Overview

July 29, 2002

Page 3

April 2002 – Received formal letter from Lastufka in which he states “I have considered the option of using reclaimed water to irrigate our crops and have decided against it.”

April 2002 - The Lastufkas were approached again with the proposal to use the higher quality reclaimed from the new WWTRF instead of the disinfected secondary from the existing WWTP. They remained reluctant.

April-May 2002 – Prepared backup for City Council action and for City request for direct lease of landfill expansion property (Lastufkas) from WPWMA. This was a concerted effort that resulted in the presentation to the WPWMA Board on the 22nd of May 2002 and the subsequent approval of our request at that meeting.

May-June 2002 – Gathered information regarding the project for compliance with the “Public Records Act Request – Reclaimed Wastewater Plan” from Litigation Advocates Group. The City’s efforts to secure the lease for using reclaimed on the WPWMA expansion property brought about the action (assumed to be continued harassment of the WPWMA by Eli Broad, developer of the land to the south of the landfill).

June-July 2002 – Through regular communications regarding status of action, ECO:LOGIC received word from WPWMA that it has terminated the Lastufka lease agreement and will enter into an agreement with the City expected to be implemented within four months.



**WESTERN PLACER
WASTE MANAGEMENT AUTHORITY**

Robert Weygandt, Chairman

G. Magnuson, Rocklin – S. Short, Lincoln
B. Santucci, Placer County – R. Rockholm, Roseville
T. Miller, Executive Director

RECEIVED NOV 24 2003

November 21, 2003

City of Lincoln
640 Fifth Street
Lincoln CA 95648

Attention: Mr. John Pedri, City Engineer

RE: LEASE FOR WPWMA EXPANSION PROPERTY

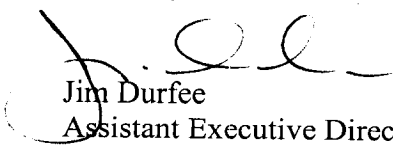
Dear John,

Enclosed please find an executed copy of the Lease Agreement between the WPWMA and the City for the southern 320 acres of the WPWMA's property west of Fiddymont Rd. As per our email correspondence, because of the error in the meets and bounds description provided by the City, the property description attached is the general description and aerial photo that were originally included. The WPWMA agrees that the City may prepare a corrected meets and bounds description if it so chooses. An amended property description that does not change the premises may be added by signature by both parties.

The current lease with Joe Lastufka will terminate effective August 20, 2004; however, please be aware that the Lastufka lease has a provision for a 30 day extension in the event that they need additional time to harvest a crop. The City will take possession of the property immediately after Lustufka relinquishes possession.

Please feel free to contact me if you have questions.

Sincerely,


Jim Durfee
Assistant Executive Director

cc: Gabriel Aronow, ECO:LOGIC
Will Dickinson

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Conserving Resources and the Environment through Recovery and Recycling

11476 C Avenue • DeWitt Center • Auburn, California 95603 • 530.886.4950 • Fax 530.889.7599 •
www.WPWMA.com

Purchase Order

City of Lincoln
640 5th St
Lincoln, CA 95648
(916) 645-3314

PO Number: 20040097

Vendor: WES12
(WPWMA) Placer County
Accounting Division
11476 C Avenue
Auburn, CA 95603

Order Date: 08/30/2004
PO Status: Open

Deliver to: 640 5th St
Lincoln, CA 95648

Shipping Instructions:
Comment:

Quantity	Price	Amount	Tax Amt Item ID	Handling Amt	Total Amt Product Code	Balance Due	Task Code Account	Type
1.00	33,750.0000	33,750.00	0.00	0.00	33,750.00	33,750.00	720-6860-50400-0000	
12 month lease 8-1-04 thru 7-30-05, 2900 Fiddymment Road								
TOTALS:		33,750.00	0.00	0.00	33,750.00	33,750.00		

Signature: _____

Title: _____