

**MEMORANDUM OF UNDERSTANDING
REGARDING COOPERATIVE SOLUTIONS FOR THE LAKES WATER SYSTEM
BETWEEN THE COUNTY OF SOLANO AND THE CITY OF VALLEJO**

This Memorandum of Understanding (MOU) is made and entered into on Feb. 5, 2019 ("Effective Date") by and between the County of Solano ("County") and the City of Vallejo, a charter city and municipal corporation ("City"), each a "Party" and collectively, the "Parties."

BACKGROUND AND PURPOSE OF MOU

- A. Whereas, The City owns and operates the Lakes Water System, which serves portions of unincorporated Green Valley, Cordelia, Willota Oaks, and Gordon Valley and is comprised by Lakes Madigan and Frey the land surrounding the lakes, and the system components, including transmission and distribution lines, water treatment facilities, and reservoirs.
- B. Whereas, the Parties have a mutual interest in maintaining and improving service and infrastructure integrity of the Lakes Water System in recognition of a shared customer and constituent base. In recognition of this fact, the Parties entered into a Due Diligence Agreement on November 15, 2016 to allow the County to conduct an evaluation of the system and identify opportunities to work with Vallejo to facilitate long term maintenance and improvements and explore potential alternative operational models.
- C. Whereas, since entering into the Due Diligence Agreement, the County has allocated staff and funding resources to understand and assess options for the Lakes Water System as well as Lake Curry. The City has begun a process to assess the components of its various water systems as part of a city-wide rate study, including the Lakes Water System.
- D. Whereas, as follow up to the original Due Diligence Agreement which was in effect until November 2017, the Parties see great benefit in continuing to collaborate as they work to serve the best interests of the customers and the residents they serve, and to ensure the sustainable, cost effective, long term operation and management of the Lakes Water System to provide a safe, reliable supply of potable water for existing and future users in the unincorporated area with greater certainty over future water rates and reliability of the delivery and treatment systems.
- E. Whereas, the Parties wish to enter into this MOU to memorialize a commitment to a continued collaborative, integrated, and comprehensive approach to the Parties' assessment of the Lakes Water System.

NOW THEREFORE, in furtherance of the progress made to date the parties agree as follows:

1. **Objectives.** The parties agree to work together to evaluate opportunities and options that would facilitate improvements and continued safe and sustainable operation of the Lakes Water System in unincorporated Solano County, with focus on:
 - Ensuring adequate domestic water availability to all existing customers.
 - Looking for opportunities to expand the customer base while staying within County General Plan growth limits.
 - Providing rate stability for existing customers.
 - Identifying and facilitate cost-effective upgrades to infrastructure.
 - Identifying available financial options that may offset costs of upgrades to the system.
 - Maintaining a regional water distribution system consistent with the Solano County General Plan.
 - Identifying opportunities to address the challenges of multiple domestic water systems serving the area currently in or adjacent to the Lakes Water System service area.
 - Identifying options and opportunities for addressing the multiple domestic water systems that currently exist or are in the vicinity of the Lakes Water Service area including possible creation of a consolidated service entity und the City of Vallejo Water Department.
2. **Sharing of Information:** The City and County agree to freely share data, research findings and assessments produced or assembled by either party during the period this MOU remains in effect.
3. **Ongoing Dialogue:** The parties agree to meet on a regular basis to discuss progress being made in this MOU.
4. **Policy Committee:** Each entity will utilize existing or form subcommittees of their respective governing Board's to guide them through this process and meet jointly on an as needed basis..
5. **Technical Committee:** The parties will work towards formalizing a technical committee of City and County staff that will work collaboratively and have regular meetings as this process moves forward.
6. **Rate Payer Participation:** The City will appoint one or more residents who reside in the Lakes Water System service area to serve on an advisory committee formed in conjunction with City's water rate study or any future public process focused on the Lakes Water System area.
7. **Proposals to sell or lease system to another party:** As part of the ongoing dialogue reflective of the spirit of this MOU, the City will consult and keep the County informed well in advance of any discussion to solicit bids, offers or proposal from other public or quasi-public entity or private contractors to acquire, lease, or operate the Lakes Water System while this MOU is in effect.

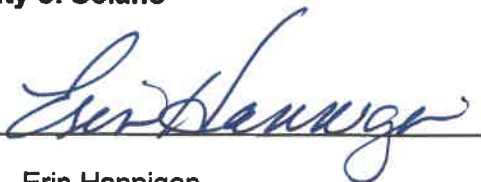
9. **Financing Options:** The County is willing to consider and explore financing options and tools for infrastructure improvements in the Lakes Water System area.
10. **Term.** This MOU shall remain in effect until terminated by the mutual written consent of the Parties, or upon thirty (30) day's written notice of termination by either party.

Executed by the County and City as of the date last written below.


Dated: February 5, 2019

Dated: January 29, 2019

County of Solano

By: 
Erin Hannigan
Chairwoman, Board of Supervisors

City of Vallejo

By: 
Bob Sampayan
Mayor, City of Vallejo

ATTEST:

By: 
Dawn Abrahamson
City Clerk

APPROVED AS TO FORM:


Claudia Quintana
City Attorney