

Appendix J

LSD #1 – Sussex Wastewater Treatment Agreements

November 1, 2005

Ms. Linda Beal
Commissioner/Treasurer
Lisbon Sanitary District No. 1
W234 N8676 Woodside Road
Sussex, WI 53089-1545

RE: Village of Sussex – Town of Lisbon Sanitary District No. 1
Intermunicipal Agreement Amendment

Dear Linda:

Enclosed for your execution is the updated Amendment to the above mentioned Intermunicipal Agreement. The Amendment has been changed slightly compared to the version mailed with our August 5, 2005 cover letter.

The changes consist of the following items:

1. The "FURTHER" paragraphs have changed with additional wording and have been relocated.
2. Section 3.1 is amended to acknowledge the potential Lisbon "Utility District".
3. Section 7.3 is now amended to extend the agreement through 2025.
4. Section 7.4 is amended for clarification.
5. Section 7.6 is amended to acknowledge the potential Lisbon "Utility District".
6. Upgrade and expansion costs have been depicted in Exhibit D.
7. Footnotes have been added to Exhibit E and F.

Please discard the version of the Amendment mailed with our August 5, 2005 cover letter. Please return three original signed copies to our office for further distribution.



Ruekert·Mielke

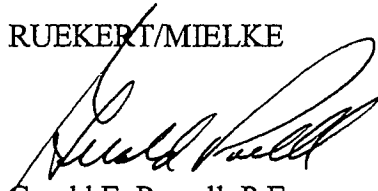
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Letter to Ms. Linda Beal
Lisbon Sanitary District No. 1
RE: Intermunicipal Agreement Amendment
November 1, 2005
Page 2

As always, if you have any questions regarding the above, please don't hesitate to call.

Very truly yours,

RUEKERT/MIELKE



Gerald E. Powell, P.E.
Project Engineer

GEP:mam
Enclosure

cc: Dennis Golner, Chairman, Lisbon Sanitary District No. 1
Jeremy Smith, Assistant Administrator, Village of Sussex (w/encl.)
John Macy, Arenz, Molter, Macy & Riffle, S.C. (w/encl.)
John Stigler, Jahnke & Jahnke Associates, Inc. (w/encl.)
File

**AMENDMENT TO INTERMUNICIPAL AGREEMENT
BETWEEN THE LISBON SANITARY DISTRICT 1
AND THE VILLAGE OF SUSSEX**

WITNESSETH:

WHEREAS, the Village of Sussex and the Lisbon Sanitary District 1 have executed an intermunicipal agreement, for the joint governmental purpose of providing sewage treatment services to property owners and citizens within their respective boundaries;

WHEREAS, the Lisbon Sanitary District 1 has resolved to purchase additional wastewater treatment capacity in the proposed 2005 – 2007 Sussex Wastewater Treatment Facility upgrade.

NOW, THEREFORE, the Lisbon Sanitary District 1 and the Village of Sussex, for and in consideration of the mutual promises and covenants contained herein, hereby amend the agreement between them dated January 28, 1993 and in the "TRANSFERRING SANITARY SEWER CAPACITY" from the Town of Lisbon amendment of November 12, 2002 relating to sanitary sewerage treatment facilities as follows:

I. Section 3.1, page 3 is hereby amended to add the following paragraph:

The Village of Sussex has been put on notice that the Town of Lisbon and the Lisbon Sanitary District No. 1 may be totally combined into a "Utility District" within the Town of Lisbon. If a "Utility District" is formed within the Town of Lisbon, it is not assumed that the sewer service area will be changed from the original Intermunicipal Agreement or any amendments thereto. The service area shall be only those lands as described in Exhibit "A", except as may be specifically amended by written Agreement with the Village of Sussex Village Board.

II. Section 3.2, page 3 is hereby amended to read as follows:

3.2 Capacity Allocation

Sussex shall provide the following amounts of capacity to Lisbon Sanitary District 1 for the term of this agreement:

Average Daily Flow	310,000 gallons per day
Peak Daily Flow	780,000 gallons per day
Average Daily BOD Loading	375.0 pounds per day
Average Daily TSS Loading	439.5 pounds per day
Average Daily Nitrogen Loading	66.8 pounds per day
Average Daily Phosphorous Loading	9.1 pounds per day

III. Section IV, Page 7 is hereby amended to add the following:

4.9 Biosolids Disposal

Lisbon Sanitary District 1 shall not ban biosolids land disposal, for biosolids originating from the Sussex Wastewater Treatment Facility.

IV. Section 5.1, page 7 is hereby amended to read as follows:

5.1 Wastewater Treatment Facility

Sussex is planning on constructing, operating, and maintaining an upgrade and expansion to the Village's existing wastewater treatment facility. The estimated total project cost for this facility expansion is \$5,889,650 as presented in Exhibit D. Actual total project costs will be finalized upon completion of the project. Total project costs shall include all professional services costs incurred by Sussex for planning, design, and construction of the facility. Based on the existing and requested flows as presented in Exhibit E and cost allocation presented in Exhibit F, Lisbon Sanitary District 1 shall be responsible for 3.9 percent of the total cost. It is anticipated that Sussex will obtain State of Wisconsin Clean Water Fund assistance in the form of a subsidized interest rate loan and may consider local borrowing to finance the construction of this project. As currently anticipated, the Clean Water Fund loan repayments will not begin until one year after completion of the project. Biannual interest payments during the construction of the facility will be required. In the event Sussex does not receive Wisconsin Clean Water Fund assistance, Sussex reserves the right to review the entire project and financing options.

It is Sussex's intention to serve as the designated management agency for the construction of this project. This designation will require Sussex to apply for all financing assistance, award all contracts, and oversee construction. As interest loan payments become due, Sussex shall invoice Lisbon Sanitary District 1 its proportionate share, based on Exhibit F.

At the time of project completion, the remaining balance of the Clean Water Fund loan will be allocated between the parties using the percentages from Exhibit F. Lisbon Sanitary District 1 agrees to execute a separate financial assistance agreement with the State of Wisconsin for its portion of the total project cost, and agrees to assume the responsibility for repayment, of their share of the loan.

In the event the State of Wisconsin does not execute a separate financial assistance agreement with Lisbon Sanitary District 1, Lisbon Sanitary District 1 agrees to pay Sussex its percentage share of the loan payments for the original loan executed between the State and Sussex.

In the event that Sussex has undertaken any local borrowing to finance the wastewater treatment facility project, Lisbon Sanitary District 1 agrees to pay Sussex its percentage share of such debt at the time of project completion.

V. Section 7.3, on pages 10 and 11 is hereby amended to read as follows:

7.3 Term of Contract

This Agreement shall be in effect through 2025, the design life of the wastewater treatment facility, unless the Agreement is terminated or extended by mutual agreement. Specific terms of this Agreement shall be renegotiated in the event of an occurrence beyond the control of Sussex, or caused by a governmental agency, and not covered by this Agreement.

Sussex shall provide notification to the District of termination of the Agreement six (6) months prior to expiration of the Agreement.

VI. Section 7.4, on page 11 is hereby amended to add the following paragraph:

If any clause, provision, or section of this Agreement is found to be in conflict with previous Agreements or Amendments, the most current provision or section shall control.

VII. Section 7.6 on page 11 is hereby amended to add the following paragraph:

The Village of Sussex has been put on notice that the Town of Lisbon and the Lisbon Sanitary District No. 1 may combine into one "Utility District". The Village of Sussex agrees to not unreasonably withhold approval of such a consolidation.

FURTHER, the Village of Sussex and the Lisbon Sanitary District 1 agree that, except as amended herein, all terms and conditions of the agreement dated January 28, 1993 between Lisbon Sanitary District Number 1 and the Village of Sussex and the "TRANSFERRING SANITARY SEWER CAPACITY" from the Town of Lisbon amendment of November 12, 2002 are unchanged, and continue in full force and effect.

FURTHER, the Village of Sussex and the Lisbon Sanitary District 1 agree that, this amendment shall be effective upon full execution of the parties, following full execution of companion agreements between Sussex and all parties listed on Exhibit E.

IN WITNESS WHEREOF, this Amendment to Agreement has been executed on behalf of the Lisbon Sanitary District 1 and the Village of Sussex.

Signed by the Village of Sussex this _____ day of _____, 2005.

VILLAGE OF SUSSEX

By: _____
Michael Knapp, President

ATTEST

By: _____
Evan Teich, Administrator

Signed by the Lisbon Sanitary District 1 this _____ day of _____, 2005.

LISBON SANITARY DISTRICT 1

By: _____
Dennis Golner, Chairman

ATTEST

By: _____
Linda Beal, Commissioner/Treasurer

Exhibit A

Extraterritorial Sewer Service

Area Map

Exhibit D

Sussex Wastewater Treatment Facility

Preliminary Cost Estimate

Item Description	Total Cost	Upgrade Cost	Expansion Cost
Raw Sewage Pump Upgrade	\$203,000	\$36,000	\$167,000
Grit Collector	\$91,000	\$0	\$91,000
Aeration Equipment / Orbal Modifications	\$423,500	\$23,500	\$400,000
Final Clarifier Structure and Equipment	\$557,000	\$0	\$557,000
Final Clarifier Equipment Replacement	\$126,000	\$126,000	\$0
Filter Feed Pump Upgrades	\$113,000	\$23,000	\$90,000
RAS Pumps	\$46,000	\$0	\$46,000
UV Structure, Equipment and Building	\$468,000	\$468,000	\$0
Outfall Structure and Pumps	\$164,000	\$164,000	\$0
Process Piping	\$228,000	\$0	\$228,000
SCADA and Controls Upgrades	\$145,000	\$125,000	\$20,000
Samplers	\$6,000	\$6,000	\$0
Paint	\$180,000	\$180,000	\$0
Update HVAC	\$200,000	\$200,000	\$0
Misc. Upgrades and Improvements	\$450,000	\$450,000	\$0
Biosolids Storage Tank and Equipment	\$1,130,000	\$20,000	\$1,110,000
Subtotal	\$4,530,500	\$1,821,500	\$2,709,000
Planning, Engineering, Force Account, Legal, Interim Financing, Closing and Contingencies (30%)	\$1,359,150		
Total Capital Cost	<u>\$5,889,650</u>		

**EXHIBIT E
COMMUNITY ALLOCATION SUMMARY**

Community	Average Daily Flow (MGD)	Peak Daily Flow (MGD)	Average Daily BOD (Lb.)	Average Daily TSS (Lb.)	Average Daily Nitrogen (NH₄) (Lb.)	Average Daily Phos. (Lb.)	Percentage of Average Daily Flow
Sussex ¹	2.50	6.25	3024.5	3544.1	539.2	73.6	49.0%
Lannon	0.30	0.75	362.9	425.3	64.7	8.8	5.9%
Town of Lisbon ²	0.89 ³	2.22 ⁴	1076.7	1261.7	192.0	26.1	17.4%
Original Lisbon SD 1 ²	0.27	0.67	326.5	382.8	58.1	7.9	5.3%
Willow Springs Lisbon SD 1	0.04	0.10	48.5	56.7	8.7	1.2	0.8
Menomonee Falls	1.10	2.75	1330.9	1559.4	237.3	32.4	21.6%
	5.10	12.75	6170.0	7230.0	1100.0	150.0	100.00%

¹For the purposes of establishing capacity utilization limits, Sussex and original Lisbon SD1 shall be combined.

²Update from November 12, 2002 amendment (40,000 gallons per day from Lisbon to Lisbon Sanitary District No. 1).

³0.89 MGD is a rounded number used for consistency. The actual allocation to the Town of Lisbon is 0.89114 MGD.

⁴2.22 MGD is a rounded number used for consistency. The actual allocation to the Town of Lisbon is 2.22785 MGD.

Exhibit F

Community Cost Allocation Summary													
Item Description	Total	V. of Sussex		T. of Lisbon		Orig. T. of Lisbon S. D. No. 1		Willow Springs T. of Lisbon S. D. No. 1		V. of Lannon		V. of Menomonee Falls	
		Upgrade	Expansion	Upgrade	Expansion	Upgrade	Expansion	Upgrade	Expansion	Upgrade	Expansion	Upgrade	Expansion
Cost of Upgrade / Expansion	\$5,889,650	\$1,367,033	\$1,205,885	\$140,463	\$1,298,592	\$199,581	\$0	\$29,559	\$0	\$221,809	\$0	\$406,492	\$1,020,473
Total Cost to Community		\$2,572,918		\$1,439,055		\$199,581		\$29,559		\$221,809		\$1,426,965	
Percent of Total Cost to Each Community		43.7		24.4		3.4		0.5		3.8		24.2	
Fraction of Existing Allocation (Upgrade)		0.5781		0.0594		0.0844		0.0125		0.0938		0.1719	
Fraction of Incremental Allocation (Expansion)		0.3421		0.3684		0.0000		0.0000		0.0000		0.2895	

Flow Allocation Summary

% of Existing Allocation	57.8% (1.85 MGD)	5.9% (0.19 MGD)	8.4% (0.27 MGD)	1.3% (0.04 MGD)	9.4% (0.30 MGD)	17.2% (0.55 MGD)
% of Incremental Allocation	34.2% (0.65 MGD)	36.8% (0.70 MGD)	0.0% (0 MGD)	0.0% (0 MGD)	0.0% (0 MGD)	28.9% (0.55 MGD)
% of Total Facility Capacity	49.0% (2.50 MGD)	17.4% (0.89 MGD)	5.3% (0.27 MGD)	0.8% (0.04MGD)	5.9% (0.30 MGD)	21.6% (1.10 MGD)

*The fractions and percentages in this exhibit are rounded

RESOLUTION NO. 02-36
**INTERMUNICIPAL AGREEMENT
TRANSFERRING SANITARY SEWER CAPACITY
FROM THE TOWN OF LISBON TO
LISBON SANITARY DISTRICT NO. 1**

WHEREAS, the Town of Lisbon (hereinafter referred to as "Town"); Lisbon Sanitary District No. 1 (hereinafter referred to as "Sanitary District"), and the Village of Sussex (hereinafter referred to as "Village") have entered into several prior Intermunicipal Agreements relating to the acquisition of sanitary sewer service capacity within the wastewater treatment plant operated by the Village, and relating to the extension of sanitary sewer service within the Sanitary District; and

WHEREAS, pursuant to the prior agreements of the parties, the Town has acquired capacity both within the wastewater treatment plant and the Lannon Interceptor, which capacity is intended by the parties to this agreement to be utilized to provide sanitary sewer service to Town properties, including, but not limited to, those portions of the Town depicted on Exhibit "A" in which the mobile home park, commonly known as the Willow Springs Mobile Home Park, is located; and

WHEREAS, the Town now desires to transfer a portion of the capacity in the wastewater treatment plant, which it has acquired from the Village, together with the capacity which the Town has acquired in the Lannon Interceptor, to the Sanitary District so that the Sanitary District can provide sanitary sewer service to those areas of the Town depicted on Exhibit "A"; and

WHEREAS, pursuant to the prior Intermunicipal Agreements between the parties, approval of the transfer of both the capacity within the wastewater treatment facility and the interceptor is subject to the approval of the Village, which approval cannot be unreasonably withheld;

NOW, THEREFORE, in consideration of mutual promises and covenants contained herein, and for other good and valuable consideration, and in accordance with the prior

Intermunicipal Agreements entered into between the parties, it is agreed by and between the parties as follows:

1. That in accordance with the prior Intermunicipal Agreements of the parties, the Town does hereby transfer to the Sanitary District the right and ownership interest to utilize 40,000 gallons of capacity in the wastewater treatment facility. The use of such capacity authorizes and permits the Town, and by this agreement the Sanitary District, to construct and maintain a sanitary sewer system which discharges sanitary sewer effluent within the collector system, provided that the average daily discharge of sanitary sewer effluent within the collector system shall not exceed an average of 40,000 gallons per day.

2. That as consideration for the transfer of the sanitary sewer capacity from the Town to the Sanitary District, and the Sanitary District's acceptance of that capacity, the Sanitary District agrees to be bound by all terms and conditions of the Intermunicipal Agreement entered into between the Town and the Village whereby the Town acquired this capacity, together with additional capacity within the wastewater treatment facility which is being retained by the Town.

3. That the Sanitary District shall pay to the Town, contemporaneously with the execution of this agreement, the sum of \$363,167.75, which sum represents the consideration to be paid to the Town for the transfer of this capacity, together with the transfer of the Town's capacity, ownership in, and right to utilize the Lannon Interceptor, the use of which would be required in order to utilize the capacity in the wastewater treatment facility which is being transferred to the Sanitary District under the terms of this agreement.

4. That this Intermunicipal Agreement, entered into between the Town, the Sanitary District, and the Village, has been entered into in accordance with the provisions of Wis. Stats. § 66.0301, and the parties executing this agreement represent and warrant:

- a. That they have been authorized by their respective Town Board, Village Board, or Sanitary District Commissioners, to execute this agreement; and
- b. That this agreement contains the entire understanding and agreement of the parties and cannot be modified except by agreement approved by their respective Town Board, Village Board, and Sanitary District Commission.

5. That it is expressly understood and agreed by and between the parties to this agreement that the consent granted by the Village authorizing the transfer of capacity from the Town to the Sanitary District applies only to the facts and circumstances set forth in this agreement, and shall not be construed as being a waiver of any right of the Village to approve and consent to any other or further transfer of capacity of the Town to the Sanitary District, or any other entity, as such consent and approval is required under the terms of the prior Intermunicipal Agreements referred to herein.

Dated this 12th day of NOVEMBER, 2002.

VILLAGE OF SUSSEX,

BY: _____

M. CHRIS SWARTZ,
Administrator

TOWN OF LISBON,

BY: _____

GERALD SCHMITZ, Chairman

LISBON SANITARY DISTRICT NO. 1

BY: _____

RICHARD BECKMAN, Commissioner

**INTERMUNICIPAL AGREEMENT BETWEEN
LISBON SANITARY DISTRICT 1
AND THE VILLAGE OF SUSSEX**

This Agreement entered into this 31st day of January, 1992³, by and between the Lisbon Sanitary District 1, hereinafter referred to as "the District", a municipal corporation created pursuant to Section 60.71 Wisconsin Statutes, and the Village of Sussex, hereinafter referred to as "Sussex", a municipal corporation organized and existing under the laws of the State of Wisconsin.

WITNESSETH:

WHEREAS, Sussex owns and operates a wastewater treatment facility which has been designated as an area wide regional treatment facility by the Southeastern Wisconsin Regional Planning Commission and the Wisconsin Department of Natural Resources.

WHEREAS, the existing Sussex wastewater treatment facility is inadequate for servicing the designated service area and is planned to be expanded and upgraded;

WHEREAS, the District owns and operates a wastewater collection system and interceptor sewer located within the District and contracts with the Village of Sussex for treatment and disposal of wastewater originating in the District;

WHEREAS, wastewater from the District to be treated and disposed of by the Village originates from only residential uses, located within the boundaries of the District;

WHEREAS, the District desires to share in the capital costs of the expansion and upgrade of the Sussex Wastewater Treatment Facility so that continual sewage treatment services can be obtained from Sussex as had been previously agreed upon;

WHEREAS, Sussex and the District are entering into this Agreement for the joint governmental purpose of providing sewage treatment services to property owners and citizens within their respective boundaries;

NOW, THEREFORE, pursuant to 66.30 of the Wisconsin Statutes and of the mutual covenants and agreements of the parties contained herein and the mutual benefits to be derived from this Agreement, the parties hereto agree as follows:

I. DEFINITIONS

- 1.1 **Agreement.** "Agreement" shall mean this document together with the Exhibits attached hereto.
- 1.2 **Average Daily Flow.** "Average Daily Flow" shall mean the wastewater generated by the District over the previous 120 days divided by 120.
- 1.3 **BOD.** "BOD" shall mean biochemical oxygen demand, as defined in the 17th edition of Standard Methods for the Examination of Water and Wastewater.
- 1.4 **Capacity Allocation.** "Capacity Allocation" shall mean the right to discharge sewage to the Sussex sewerage system up to the limits set forth in this Agreement.

- 1.5 Commercial Users. "Commercial Users" shall mean any property occupied by a nonresidential establishment not within the definition of an "Industrial User", and which is connected to the wastewater facilities.
- 1.6 Domestic Wastewater. "Domestic Wastewater" shall mean the water and water-carried wastes from residences, business buildings, institutions or industrial establishments generated by personal activities (from sources such as kitchens, bathrooms, lavatories, and toilets). Strength characteristics of this wastewater shall be deemed to be equal to those of the "equivalent residential unit" unless, in the case of a commercial user, strength characteristics are determined to be different by the completion of a waste strength certification form. Domestic wastewater does not include process wastewater from industrial establishments, infiltration or inflow.
- 1.7 Residential Equivalent Connection. "Residential Equivalent Connection (REC)" shall mean the average annual discharge of a domestic wastewater residential unit. A REC shall be defined as 140 gallons per person per day of average daily flow at 175 mg/l BOD, 192 mg/l TSS, 26 mg/l $\text{NH}_4\text{-N}_1$ and 3 mg/l P. A residential unit shall be defined as 3 people per unit.
- 1.8 Industrial Users. "Industrial Users" shall mean any non residential user identified in Division A, B, D, E, or I of the Standard Industrial Classification Manual. Industrial user also shall include any user that discharges wastewater containing toxic or poisonous substances as defined in Section 307 or 502 or the Clean Water Act, or any substance(s) causing interference in the wastewater facilities. Industrial user shall include any non residential user who: 1) is subject to national categorical pretreatment standards, 2) has a nondomestic flow of 25,000 gallons or more per average day, 3) contributes more than 5% of the average dry weather capacity of the wastewater facility, or 4) is determined by the WTF Superintendent to have the potential to adversely affect the wastewater facility.
- 1.9 Infiltration. "Infiltration" shall mean water entering a sewer system, including sewer service connections, from the ground, through such means as, but not limited to, defective pipes, pipe joints, connections, or manhole walls. Infiltration does not include, and is distinguished from, inflow.
- 1.10 Infiltration/Inflow. "Infiltration/Inflow" shall mean the total quantity of water from both infiltration and inflow without distinguishing the source.
- 1.11 Inflow. "Inflow" shall mean the water discharged into a sewer system, including service connections, from such sources as, but not limited to, roof leaders, cellar, yard, and area drains, foundation drains, sump pumps, cooling towers, drains from springs and swampy areas, manhole covers, cross connections from storm sewers and combined sewers, catch basins, storm water, surface run-off, street wash waters, or drainage. Inflow does not include, and is distinguished from infiltration.
- 1.12 Peak Daily Flow. "Peak Daily Flow" shall be the maximum daily flow over a 48 hour period divided by 2 for a storm frequency interval of 5 years or less.
- 1.13 Process Wastewater. "Process Wastewater" shall mean any wastewater, other than domestic wastewater and infiltration and inflow, discharged to the sewerage system.

- 1.14 Residential User. "Residential User" shall mean all premises used only for human residency and that are connected to the sewerage system.
- 1.15 TSS. "TSS" shall mean Total Suspended Solids as defined in the 17th edition of Standard Methods for the Examination of Water and Wastewater.

II. GENERAL INTENT

Sussex is planning on constructing, operating, and maintaining an expansion to the Village's existing wastewater treatment facility. The expansions and upgrade of the Sussex treatment facility will provide the capacity to treat and dispose of sanitary wastes generated within the year 2010 Sussex Sewer Service Area. The District is planning on constructing, operating, and maintaining a wastewater collection system to service areas within the District.

The District has constructed and operates and maintains a wastewater collection system servicing areas of the District located north of Good Hope Road. Wastewater collected in those areas of the District located south of Silver Spring Drive will be transmitted to the Sussex regional wastewater treatment facility through an interceptor/forcemain system constructed in accordance with the regional interceptor facility plan. It is anticipated that a portion of the wastewater from the District would be conveyed to the Lannon-Sussex interceptor currently being considered. The contractual relationship for financing, operating and maintaining this proposed interceptor and any additional interceptor needed for the District will be covered under a separate agreement.

Subject to this Agreement, the Agreement dated August 9, 1989 and the Sussex Sewer Service Ordinance, users in the District shall enjoy all rights, privileges and obligations of all other users of the Sussex sewerage system.

III. SERVICE AREA AND CAPACITY

3.1 Service Area

The District's service area shall include those lands as described in Exhibit "A". The District shall be authorized to provide sewer service to only residential properties, both developed and undeveloped, in the service area. It shall be the District's responsibility to establish the defined 208 sanitary sewer service area with the Southeastern Wisconsin Regional Planning Commission (SEWRPC).

3.2 Capacity Allocation

Sussex shall provide the following amounts of capacity to the District for the term of this agreement:

Average Daily Flow	270,000 gallons per day
Peak Daily Flow	680,000 gallons per day
Average Daily BOD Loading	394.1 pounds per day
Average Daily TSS Loading	433.0 pounds per day
Average Daily Nitrogen Loading	59.1 pounds per day
Average Daily Phosphorous Loading	7.4 pounds per day

The capacity allocations provided herein are based upon a commitment between Sussex and the Sanitary District to provide 637 single-family residential sewer connections. It is understood and agreed that the capacity allocations provided herein are estimates. Any additional capacity required to service the 637 single-family residential sewer connections shall be provided at no additional cost to the Sanitary District but for the charges as they are provided for in Section 4.6 of this Agreement.

3.3 Capacity Allocation Utilization

Sussex and the District agree that the District has the right to use the amounts of the Capacity Allocation under the terms of this agreement.

When the Capacity Allocation utilized by the District, as determined under Section 3.4 of this Agreement, exceeds 85% of the average daily flow or peak daily flow from Section 3.2, Sussex shall submit written notification of that fact to the District.

When the Capacity Allocation utilized by the District, as determined under Section 3.4 of this Agreement, exceeds 95% of the average daily flow or peak daily flow from Section 3.2, Sussex shall again submit written notification of that fact to the District.

If for any reason the District exceeds the original Capacity Allocation, the District shall immediately undertake efforts to eliminate excess use. If the excess utilization is not eliminated within 90 days after notification by Sussex, Sussex may enforce the Capacity Allocation limits as determined in Section 3.2 by any lawful means, and the District agrees to cease approving any new connections to the sewer system.

The Village of Sussex agrees to enforce capacity limitations on all parties utilizing the Sussex wastewater treatment facility according to the capacity allocations listed in Exhibit C as may be adjusted due to capacity reallocations.

3.4 Flow Measurement

a. The actual flow of sewage from the District shall be measured at sewage metering stations which shall be installed to accurately measure the total volume of wastewater collected within the District and to transmit the flow information to Sussex. The metering stations shall be located so that all wastewater conveyed to Sussex from the District shall be metered. The meters shall be at locations mutually acceptable to both parties. Sussex shall furnish, install, and maintain the flowmeters and telemetry equipment. All costs for installation, operation and maintenance of the metering stations and communication lines shall be the District's responsibility.

b. Sussex shall take periodic 24 hour flow proportional samples at the metering stations to determine the waste loadings from the District. These samples will be used for verifying compliance with the Capacity Allocation defined under Section 3.2. In the event wastewater sampling determines that the Capacity Allocation is being exceeded, Sussex may institute continuous sampling for the purpose of sewer user charges.

- c. The meters shall be calibrated every six months by Sussex with the cost of calibration and adjustment being paid by the District. The District shall be notified of scheduled site calibrations a minimum of five (5) days prior to such calibration.

IV. SEWER SERVICE AND CHARGES

4.1 Sewer Connections

- a. Before the connection of the District's local collection system to the Sussex regional wastewater treatment facility, the District shall furnish to Sussex as-built drawings and system maps of the District's sewer collection and interceptor system. The system maps shall indicate the location and sizes of all sewer lines and appurtenances within the District system to be connected.
- b. The District shall establish procedures for the inspection and approval by a licensed plumbing inspector of all installations of building connection laterals. Such laterals shall be installed according to State plumbing codes and general specifications approved by Sussex. All building connection laterals shall be installed by a plumber licensed by the State of Wisconsin. The District shall forward copies of the installation permits to Sussex which were issued during the preceding month by the first day of every month. Sussex may conduct spot inspections to determine compliance with Sussex requirements.
- c. The District shall provide Sussex with a compliance report certified by the District's plumbing inspector that the connection was inspected and was made according to all state and local regulations on a monthly basis.
- d. The abandonment of any private sewage system in the District shall be done by a licensed septic pumper and licensed plumber according to all legal requirements. The District shall not permit septic waste from unconnected properties or from properties in the process of septic system abandonment to be deposited in the sewerage system. Septic and holding tank wastes shall be trucked to the Sussex Regional WTF for disposal.

4.2 Sewer Extensions

- a. The District shall not construct any sanitary sewer extension to service land which is not served by sanitary sewers until the plans for such sewers have been reviewed and approved by Sussex. Approval shall not be unreasonably withheld.
- b. Sussex shall approve the submitted plans if such plans are consistent with the Sussex 2010 Sewer Service Facility Plan; Sussex's rules and regulations; and are located within the service area as presented in Exhibit A. The flows and loadings resulting from the sewer extension shall not cause the Capacity Allocation as determined in Section 3.2 to be exceeded.

4.3. Right of Inspection

The parties to this Agreement agree that Sussex shall have the right to inspect all users's plumbing systems within the District service area; and that if, from any such inspection, it is determined by Sussex that any

deleterious waste is entering the sewerage system, the user and the District will be notified in writing and will be required to exercise their best efforts to cease and desist immediately; and in the event the District and/or the user fails to take corrective action, Sussex, or the District at Sussex's direction, shall pursue any and all remedies available to achieve compliance.

4.4. Clearwater Enforcement

It shall be incumbent upon each party to this Agreement to take the necessary steps to effect a high degree of separation and elimination of clearwater entering their systems, either through inflow or infiltration to avoid premature utilization of wastewater treatment facility capacity.

4.5. Adoption of Sewer Service Ordinance

The District hereby agrees to comply with the Sussex Sewer Service Ordinance now in existence or enacted at any time during the existence of this Agreement or any extension of this Agreement. Such sewer service regulation shall require all users of the District sewerage system located within the Sussex sewer service area to comply with all applicable ordinances, rules, and regulations of Sussex. The District shall not be required to comply with new rules or regulations which are contrary to the intent of this Agreement without a mutually agreed upon amendment to this Agreement unless the new rules or regulations are required by the DNR or EPA.

The District shall adopt a Sewer Service Ordinance substantially in conformance with the Sussex Sewer Service Ordinance. Sussex shall not change any sections or language of the Sussex Sewer Service Ordinance which would violate the intent of this Agreement. Sussex shall provide a copy of the Sussex Sewer Service Ordinance as it is revised to the District

4.6. Sewage Treatment Rates

a. For the acceptance, treatment and disposal of wastewater transmitted to Sussex from the District and for the operation and maintenance, including DNR mandated replacement fund expense, for the treatment facility, the District shall pay the rates as described in Chapter 13 of the Sussex Municipal Code as modified below:

1. Costs for the operation, maintenance, replacement, depreciation, capital expenditures and expansion of the Sussex collection system shall be deducted from the rate applied to the District.

b. The adjusted sewer user charge rate will be applied to the total wastewater flow as metered at the District connection point(s). Consideration may be given for infiltration and inflow into interceptors downstream from the District's connection point(s).

c. Copies of the annual sewer utility budget, rate computations, and annual sewer utility audit shall be made available to all parties of this Agreement. A separate audit of the shared wastewater treatment plant facility and a separate audit of the remaining sewer system facilities shall be required to determine the cost allocations of each facility and the cost of each shared element.

4.7. Billing Procedures

Sussex is providing wastewater treatment to the District and the District shall be liable for payment of all charges. Sussex shall bill the District monthly and shall be paid in full within 30 days after the date of billing, and if not so paid, the account shall be considered delinquent. Delinquent payments shall be subject to a late payment charge of 1-1/2% per month. Before the District can contest any charge or billing, the charge or billing shall be paid in full.

4.8. Retained Plant Charge, Interceptor Capacity Charge, and WTF Capacity Charge

a. A Retained Plant Charge and WTF Capacity Charge shall be levied pursuant to Chapter 13 of the Sussex Municipal Code. The charges are designed to recover the net asset value of the existing Sussex treatment facilities which will be retained for future use and the costs of providing excess capacity in the WTF. This charge shall be collected by the District before the District issues a plumbing permit for connection to the District sewerage system. The District shall forward the collected charges to Sussex within 30 days after collection.

b. An Interceptor Capacity Charge shall be levied pursuant to Chapter 13 of the Sussex Municipal Code. The Interceptor Capacity Charge is designed to recover the costs incurred for providing excess capacity to accommodate future growth in the Sussex interceptor system. This charge shall be collected by the District before the District issues a plumbing permit for connection to the District sewerage system. The District shall forward the collected charges to Sussex within 30 days after collection.

c. It is understood that the first 410 Residential Equivalent Connections (RECS) have already paid the Retained Plant Charge, Interceptor Capacity Charge and the WTF Capacity Charge and will only be charged the normal service charges described in Chapter 13 of the Village Ordinance. New connections in excess of the 410 RECS will be charged the above fees at the same rate as is charged to a new connection within the Village.

V. CAPITAL COSTS AND FUTURE COST SHARING

5.1 Wastewater Treatment Facility

Sussex is planning on constructing, operating, and maintaining an expansion to the Village's existing wastewater treatment facility. The estimated total project cost for this facility expansion is \$13,939,000 as presented in Exhibit B. Actual total project costs will be finalized upon completion of the project. Total project costs shall include all professional services costs incurred by Sussex for planning, design, and construction of the facility. Based on the requested flows and loadings as presented in Exhibit C, the District shall be responsible for 8.44% of the total cost. It is anticipated that Sussex will obtain State of Wisconsin Clean Water Fund assistance in the form of a subsidized interest rate loan and may consider local borrowing to finance the construction of this project. As currently structured, the Clean Water Fund loan repayments will not begin until one year after completion of the project. Biannual interest payments during

the construction of the facility will be required. In the event Sussex does not receive Wisconsin Clean Water Fund assistance, Sussex reserves the right to review the entire project and financing options.

It is Sussex's intention to serve as the designated management agency for the construction of this project. This designation will require Sussex to apply for all financing assistance, award all contracts, and oversee construction.

In accordance with the intermunicipal agreement, dated August 9, 1989, between the Village and the District, all costs and expenses incurred by the Village for the Village's and the District's share shall be paid by the Village. It is understood by both parties that the incurred costs may be recovered either partially or in their entirety through the sewer user charge.

5.2 Future Cost Sharing

It is understood by the District that the Sussex wastewater treatment facility is listed as a regional facility. Additions to either plant capacity or upgrading treatment processes as required by growth or maintaining compliance with DNR and EPA regulations may be necessary in the future.

In the event Sussex is required to upgrade or change the treatment processes to maintain compliance with DNR and EPA regulations, the District shall be required to participate in capital cost sharing according to the methodology used to charge the users within the Village.

VI. ADMINISTRATION OF AGREEMENT

6.1 Technical Advisory Committee

As a vehicle for dealing with the technical and financial details of this Agreement and similar agreements, a Technical Advisory Committee(TAC) shall be created. This committee shall be composed of a single representative from each contractual community who shall inform and make recommendations to the respective governing body of the member community. The TAC shall be informed of, and shall review, technical updates on the wastewater treatment facility construction and operation, WPDES requirements, discharge permit revisions, industrial pretreatment requirements, contract modifications and ordinance changes on a regular basis. The TAC shall convene at least annually to review the previous year's operation results of the wastewater treatment facility, the previous year's audit report and proposed sewage treatment budget, rates and charges.

6.2 Books and Records

Each party of this agreement shall keep accurate books, records, and accounts of costs, expenses, expenditures, and receipts as they pertain to this Agreement. Upon reasonable notice, either party shall be entitled to examine any such books and records. Either party may request an annual certified audit report for the books and records of the other party.

6.3 Disputes

a. Discussion Before Dispute Resolution At least sixty (60) days before initiating dispute resolution to enforce this Agreement, the party contemplating such dispute resolution shall so notify in writing the other party and request a meeting to discuss and resolve the matter in contention. Prior to initiating any dispute resolution, all outstanding charges due and owing shall be satisfied. The party receiving such notification shall make itself available at reasonable times and places for such discussions and attempted resolution. The parties represent that they will each make a good faith effort to resolve any disputes that may arise between them.

b. Arbitration. Arbitration shall be the dispute resolution mechanism for any unresolved dispute arising out of, resulting from or relating to the contractual elements of this Agreement. Arbitration shall be the sole remedy unless both parties stipulate in writing to seek court relief. The arbitration process shall be determined by a three (3) person arbitration panel. Each party shall select one qualified arbitrator to serve on the panel. The two selected arbitrators shall select the third and final arbitrator. Within fifteen days after selection of the arbitrators, the arbitration proceedings shall commence; provided however, the parties may mutually agree to an extension.

The written award of the arbitration panel shall require a minimum of two votes and the award shall be limited to the interpretation of this Agreement. The party that does not prevail in the arbitration shall pay the cost of the arbitration including the fees of the arbitrators. The parties will pay their own professional's fees, expert witness fees and out of pocket expenses.

c. Public Service Commission. The parties hereto agree to be bound by the provisions of Section 66.079(9), Wisconsin Statutes, in the resolution of any dispute concerning the interpretation of rates, rules and practices of the parties.

6.4 Penalties and Remedies

a. The District agrees that in the event the District discharges any wastewater to the Sussex sewerage system that is inhibiting to the sewerage system, Sussex may impose a penalty up to the amount levied by DNR or EPA but not to exceed \$10,000 per violation, plus damages and including any penalties levied by the DNR or EPA. Each day the condition is allowed to exist shall constitute a separate and new violation.

b. The District agrees that in the event of a violation of this agreement or the Sussex Sewer Service Ordinance not specified under Section 6.4(a), and after such notice has been given, penalties may be assessed in the amount of \$500.00 per day for each violation, with each day of continued violation considered as a separate "offense" for which an additional penalty would be due. The penalty shall be in addition to any penalty levied by any regulatory agency and any actual damages suffered by the Village of Sussex.

c. The District agrees that in the event the District exceeds the Capacity Allocation as determined in Section 3.2 and fails to undertake means acceptable by Sussex to limit or eliminate excessive utilization, Sussex shall have the right to refuse future sewer extensions and/or future sewer connections to the District sewerage system in addition to the penalties identified above.

6.5 Accounting Methods

To the extent any provision of this Agreement requires calculations involving accounting principles, those generally accepted accounting principles and practices utilized in maintenance of municipal and utility records, as determined by a certified public accounting firm shall be utilized.

6.6 Notices

All notices required or permitted by this Agreement shall be deemed given if made in writing and deposited in the United States mail, addressed as follows:

Lisbon Sanitary District No. 1
N79 W27607 Plainview Road
Hartland, WI 53029

Kathryn Sawyer Gutenkunst
Cramer, Multhauf & Hammes
1601 E. Racine Avenue
Waukesha, WI 53187

Village of Sussex
N64 W23760 Main Street
Sussex, WI 53089

VII. MISCELLANEOUS

7.1 Entire Agreement

This Agreement contains the entire agreement of the parties, and may not be modified unless such a modification is in writing, approved by the governing body of each party, and duly executed by the authorized representative.

7.2 Previous Agreement

To the extent the parties have previously agreed upon any matter which is the subject of this Agreement, this Agreement shall supersede all previous agreements between the parties as to that issue or issues.

7.2 Effective Date

The effective date of this Agreement shall be the date upon which it is executed by the parties.

7.3 Term of Contract

This Agreement shall be in effect through 2010, the design life of the wastewater treatment facility, unless the Agreement is terminated or extended by mutual agreement. Specific terms of this Agreement shall be renegotiated in the event of an occurrence beyond the control of Sussex, or caused by a governmental agency, and not covered by this Agreement.

Sussex shall provide notification to the District of termination of the Agreement six (6) months prior to expiration of the Agreement.

7.4 Effect of Contract

Sussex and the District recognize that this Agreement is the product of a unique set of circumstances. Accordingly, it is mutually acknowledged that many of the provisions contained herein are unique unto themselves and should not be seen as precedent for any future Agreement between Sussex and other entities.

7.5 Severability

If any clause, provision, or section of this Agreement be declared invalid by any Court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions of this Agreement.

7.6 Binding Agreement

This Agreement is binding upon the parties hereto and their respective successors and assigns.

Signed by the Village of Sussex this 28th day of January, 1993.

VILLAGE OF SUSSEX

By: Paul Fleischmann

Paul Fleischmann, President

ATTEST: M. Chris Swartz

By: M. Chris Swartz

M. Chris Swartz, Administrator

Signed by the District this 28 day of January, 1993.

LISBON SANITARY DISTRICT NO. 1

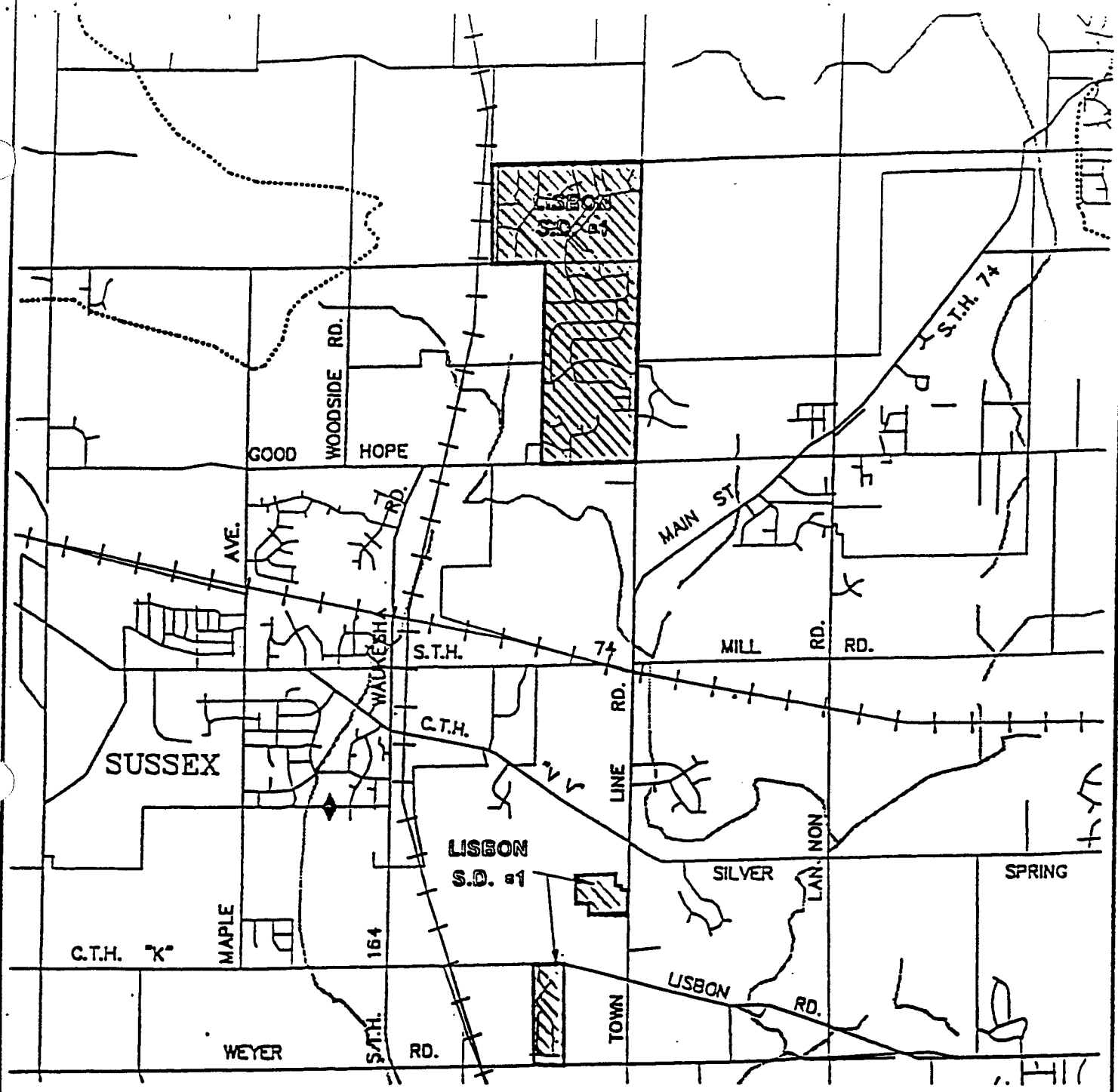
By: James L. Vincent

James Vincent, Chairman

ATTEST: Kathryn M. Hirsch

By: Kathryn M. Hirsch

1/2" = 4000' 1/4" = 1000' 1/8" = 500' 1/16" = 250'

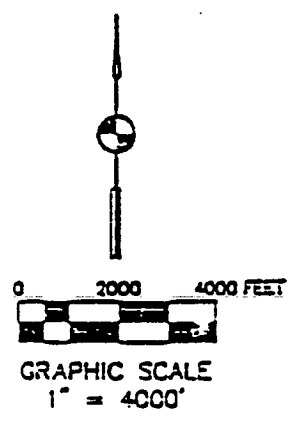


LISBON
SANITARY DISTRICT #1
EXHIBIT A

LEGEND



LISBON S.D. #1
20 YEAR SANITARY
SEWER SERVICE AREA



Ruekert | Mielke
Professional Engineers
Registered Land Surveyors

Date: July, 1992

Exhibit B
Sussex WTF
Preliminary Cost Estimate

Item	Cost
Raw Sewage Lift Station	\$533,000
Equip	\$350,000
RAS	\$221,000
Equip	\$220,000
Aeration Tanks	\$1,205,000
Handrails, Gates	\$140,000
Equip	\$700,000
Final Clarifiers	\$765,000
Domes	\$225,000
Equip	\$230,000
Chlorine Contact	\$90,000
Equip	\$60,000
Sand Filters	\$650,000
Piping	\$150,000
Equip	\$601,000
Outfall	\$25,000
Gravity Thickener	\$25,000
Equip	\$45,000
Dome	\$35,000
Sludge Facilities	\$560,000
Equip	\$100,000
Equip Belt Press	\$30,000
Dome	\$140,000
Electrical	\$1,120,000
HVAC	\$125,000
Plumbing	\$115,000
Mechanical	\$750,000
Site Work	\$805,000
Septage Handling	\$35,000
Demolition / Rehab	\$500,000
Control Bldg / Lab	\$350,000
Site Cost	\$50,000
Step 1 Costs	\$166,000
Step 2 Costs	\$553,000
Step 3 Costs	\$972,000
Force Account / Legal	\$63,000
Interim financing	\$143,000
Closing Costs	\$2,000
Contingencies	<u>\$1,090,000</u>
 Total Project Cost	 <u><u>\$13,939,000</u></u>

Exhibit C

Community Allocation Summary

Community	Average Daily Flow (MGD)	Peak Daily Flow (MGD)	Average Daily BOD (Lb.)	Average Daily TSS (Lb.)	Average Daily Nitrogen (Lb.)	Average Daily Phos. (Lb.)	Percentage of Average Daily Flow
Sussex	1.85	4.63	2,700.1	2,967.0	404.7	50.9	57.31%
Lannon	0.30	0.75	437.9	481.1	65.6	8.2	9.58%
Town of Lisbon	0.23	0.58	335.7	368.9	50.3	6.3	7.19%
Lisbon SD I	0.27	0.68	394.1	433.0	59.1	7.4	3.44%
Menomonnee Falls	0.55	1.38	802.8	832.0	120.3	15.1	17.13%
	3.20	8.00	4,670.4	5,132.0	700.0	88.0	100.00%

For the purposes of establishing capacity utilization limits, Sussex and Lisbon SD I shall be combined.

Revised
October 19, 1993