

CLINTON-OAKLAND SEWAGE DISPOSAL SYSTEM
MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of January, 1996, by and between the County of Oakland (the "County") and the Charter Township of Independence, the Charter Township of Orion, the Charter Township of Waterford, the Charter Township of West Bloomfield, the City of Auburn Hills, the City of Lake Angelus and the City of Rochester Hills (collectively, the "Municipalities" and individually, a "Municipality").

WHEREAS, on June 22, 1964, the County, by action of its then Board of Supervisors, established, pursuant to Act 185 of Michigan Public Acts of 1957, as amended, the Clinton-Oakland Sewage Disposal System (the "System") to serve the Clinton-Oakland Sewage Disposal District (the "District"), within which District lie all of the Municipalities; and

WHEREAS, pursuant to the Amended Clinton-Oakland Sewage Disposal System Contract dated January 11, 1967, between the County and the Charter Township of Waterford, the Township of Avon, the Township of West Bloomfield, the Township of Independence, the Township of Orion and the Township of Pontiac (the "Base Contract"), the County acquired the System and financed the acquisition of the System in part from the proceeds of bonds issued by the County; and

WHEREAS, since the date of the Base Contract, the Township of West Bloomfield, the Township of Independence and the Township of Orion have become charter townships; the Township of Avon has become the City of Rochester Hills; the Township of Pontiac has become the City of Auburn Hills; and the City of Lake Angelus has become subject to the provisions of the Base Contract pursuant to its purchase of flow capacity in the System; and

WHEREAS, each Municipality is limited in the use of the System pursuant to the Base Contract to the specific maximum rate of flow as measured in cubic feet per second ("CFS") of purchased capacity, which purchased capacity is set forth in Exhibit A hereto; and

WHEREAS, the Michigan Department of Environmental Quality will not issue permits pursuant to Part 41 of Act No. 451, Public Acts of Michigan, 1994, as amended, for the construction of new sanitary sewers in a Municipality, if such Municipality is exceeding its purchased capacity in the System without acquiring additional flow capacity; and

WHEREAS, some of the Municipalities are in need, or will be in need prior to the termination of the Base Contract on January 11, 2017, of additional flow capacity in the System; and

WHEREAS, despite the fact that some Municipalities are and will be in need of additional flow capacity, sufficient pipe capacity exists in the System as a whole to serve all of the Municipalities for their projected flows through the termination of the Base Contract, primarily because of attenuation of flow and the effects of the timing of concentration of peak rates of flow; and

WHEREAS, the System as a whole can accommodate the needs of the Municipalities, assuming their continued efforts to control extraneous flow, through the date of termination of the Base Contract; therefore, the construction of new sewers to the System would be fiscally inappropriate; and

WHEREAS, as a means to maximize the ability of the System to efficiently transport the flows from the Municipalities without incurring the cost of additional sewer facilities and without affecting the purchased capacity of any Municipality, the parties hereto desire to enter into an agreement for the assignment of capacity of the System as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the covenants of each other, the parties hereto agree as follows:

1. The Municipalities are hereby assigned maximum capacity in the System ("Maximum Assignment Capacity") as set forth in Exhibit A. A Municipality will be assessed monthly a capacity assignment charge (the "Monthly Capacity Assignment Charge") equal to the "CFS Cost" (as hereinafter defined) multiplied by the difference between the largest monthly peak flow (the "Monthly Peak Flow") and the Municipality's purchased capacity as set forth in Exhibit A, using the nearest higher 0.10 CFS. The Monthly Peak Flow (in CFS) will be determined by the County and will represent the maximum flow rate that is demonstrated for 15 continuous minutes within such month. The "CFS Cost" shall equal \$5,658 for the period commencing on January 1, 1996, and shall be adjusted effective on each January 1 thereafter based upon the Engineering News Record construction cost index for the year prior to such January 1 effective date.

2. The Monthly Capacity Assignment Charges established pursuant to section 1 hereof shall be billed to the Municipalities by the County on a quarterly basis and shall be due and payable, together with any interest and penalties on such charges, as may be established by the County.

3. The County shall allocate interceptor infiltration/inflow to all Municipalities based on purchased capacity in order to determine a Municipality's peak flow. Peaks caused by the

County's operation of the Elizabeth Lake Pumping Station will not be considered as part of any Municipality's peak flow.

4. The amounts collected by the County pursuant to this Agreement shall be distributed by the County to all Municipalities in proportion to their purchased capacity as set forth in Exhibit A and without regard to any amounts paid by any Municipality to the County pursuant to this Agreement.

5. The County shall notify in writing any Municipality whose Monthly Peak Flow equals or exceeds 90% of its Maximum Assignment Capacity as set forth in Exhibit A. Such Municipality, within 90 days after the receipt of such notice, shall submit a written response to the County that identifies the Municipality's plan not to exceed its Maximum Assignment Capacity.

6. If (i) a Municipality's Monthly Peak Flow exceeds its Maximum Assignment Capacity as set forth in Exhibit A hereto for 3 consecutive months or (ii) a Municipality receives written notice from the County that, in the County's determination, other trends indicate a sewage peak flow problem in such Municipality, such Municipality shall proceed to take action to either reduce its Monthly Peak Flow to or below its Maximum Assignment Capacity or acquire additional capacity to satisfy its peak flows, and the

County shall not permit any new public sewers for such Municipality to be connected to the sanitary sewers of the System or to any sewer connected directly or indirectly to the sanitary sewers of the System until (a) the Municipality's Monthly Peak Flow is less than or equal to its Maximum Assignment Capacity for 12 consecutive months, (b) the Municipality's Monthly Peak Flow is less than its acquired capacity or (c) the County determines in writing that there is other reason justifying permission for such connection. The provisions of this section are specifically intended to amend section 16 of the Base Contract with respect to the County's permission for the connection of new public sewers.

7. When a Municipality's Monthly Peak Flow exceeds its Maximum Assignment Capacity for 3 consecutive months, or a Municipality receives written notice from the County of a sewage peak flow problem (both as described in section 6 hereof), and if the County makes a written determination that there is a likelihood that the sewage peak flows from the Municipality will continue to exceed its Maximum Assignment Capacity unless additional corrective measures beyond the actions described in section 6 hereof are taken (the "County Determination"), such Municipality shall take the necessary actions to stop issuing permits for additional connections to the sanitary sewers of the System within its boundaries, except for such permits that may be issued within 90 days after such Municipality's receipt of the

County Determination. Such Municipality shall not issue any permits for additional connections to the sanitary sewers of the System within its boundaries more than 90 days after the date of receipt of the County Determination unless and until (a) the Municipality's Monthly Peak Flow is less than or equal to its Maximum Assignment Capacity for 12 consecutive months, (b) the Municipality's Monthly Peak Flow is less than its acquired capacity or (c) the County determines in writing that there is other reason justifying the resumption of the issuance of such permits.

8. Each Municipality of which a part of its sewer system has infiltration and inflow in excess of 275 GPCPD as identified in Exhibit B hereto agrees to (i) submit to the County a Sewer System Evaluation Survey ("SSES") by January 1, 1997, and (ii) perform a cost effective SSES rehabilitation by January 1, 1999, for those sanitary sewers within its boundaries that are identified in Exhibit B as having infiltration and inflow in excess of 275 GPCPD.

9. The County agrees to prepare an SSES by January 1, 1997, and perform a cost effective SSES rehabilitation by January 1, 1999, for the Clinton-Oakland Interceptor.

10. This Agreement shall terminate on January 17, 2017, unless terminated earlier pursuant to this section. If the County shall determine, by resolution of its Board of Commissioners, that the System as a whole is in need of additional pipe capacity prior to January 17, 2017, then this Agreement shall terminate on the next January 1 following the giving of not less than 6 months' prior notice to the Municipalities of the adoption of such resolution by the Board of Commissioners and of the County's intention to terminate this Agreement pursuant to this section.

11. This Agreement may be executed in several counterparts. The provisions of this Agreement shall be in full force and effect and binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, all as of the day and year first above written.

COUNTY OF OAKLAND

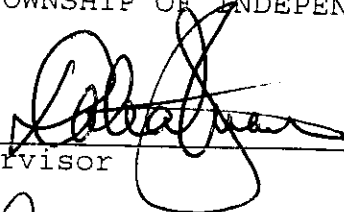
By: _____

George W. Kuhn
George W. Kuhn

Date: _____

Oct, 7, 1996

CHARTER TOWNSHIP OF INDEPENDENCE

By: 
Supervisor

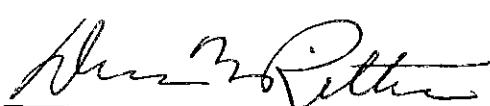
And: Paul E. McCrary
Clerk

CHARTER TOWNSHIP OF ORION

By: George Brown 2-6-96
Supervisor

And: Maria E. English 2-6-96
Clerk

CHARTER TOWNSHIP OF WATERFORD

By: 
Supervisor

And: Betty Sotens
Clerk

CHARTER TOWNSHIP OF WEST BLOOMFIELD

By: Liddie Wood
Supervisor

And: Sharon Law
Clerk

CITY OF AUBURN HILLS

By: James W. McDonald
Mayor

And: Helen R. Venas
Clerk

CITY OF LAKE ANGELUS

By: [Signature]
Mayor

And: Danny S. Keenan
Clerk

CITY OF ROCHESTER HILLS

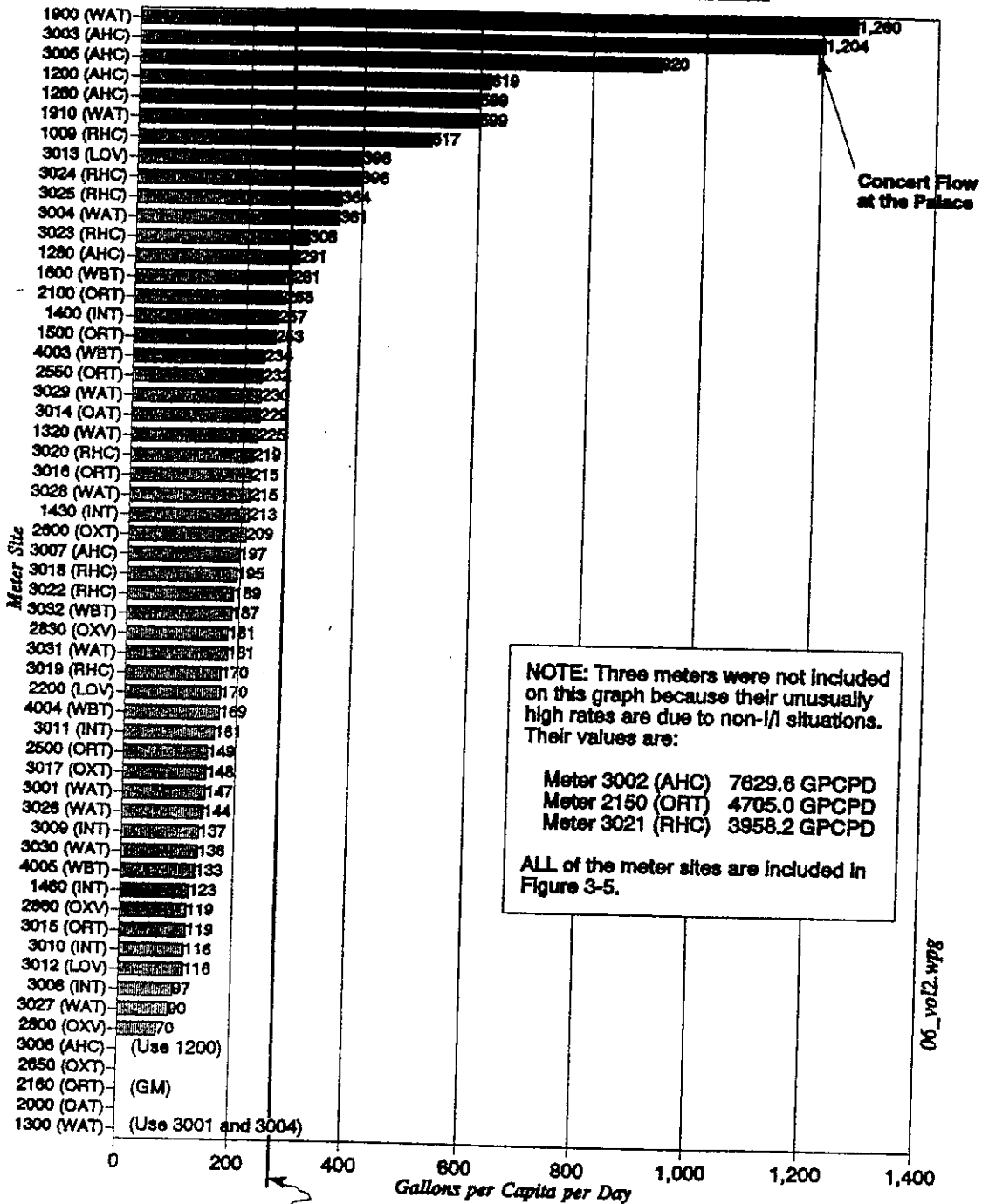
By: [Signature]
Mayor

And: Suevely A. Jansen
Clerk

EXHIBIT A

<u>Name of Municipality</u>	<u>Purchased Capacity (in CFS)</u>	<u>Maximum Assignment Capacity (in CFS) (includes purchased and assigned capacity)</u>
Charter Township of Independence	8.80	10.50
Charter Township of Orion	4.00	8.50
Charter Township of Waterford	37.46	45.00
Charter Township of West Bloomfield	5.12	9.00
City of Auburn Hills	9.20	15.00
City of Lake Angelus	0.10	0.50
City of Rochester Hills	19.60	37.50

Oakland County GPCPD for June 20-21, 1993



NOTE: Three meters were not included on this graph because their unusually high rates are due to non-I/I situations. Their values are:

Meter 3002 (AHC) 7629.6 GPCPD
 Meter 2150 (ORT) 4705.0 GPCPD
 Meter 3021 (RHC) 3958.2 GPCPD

ALL of the meter sites are included in Figure 3-5.

Figure 3-6